

# **Certain Carbon Steel Products From Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom**

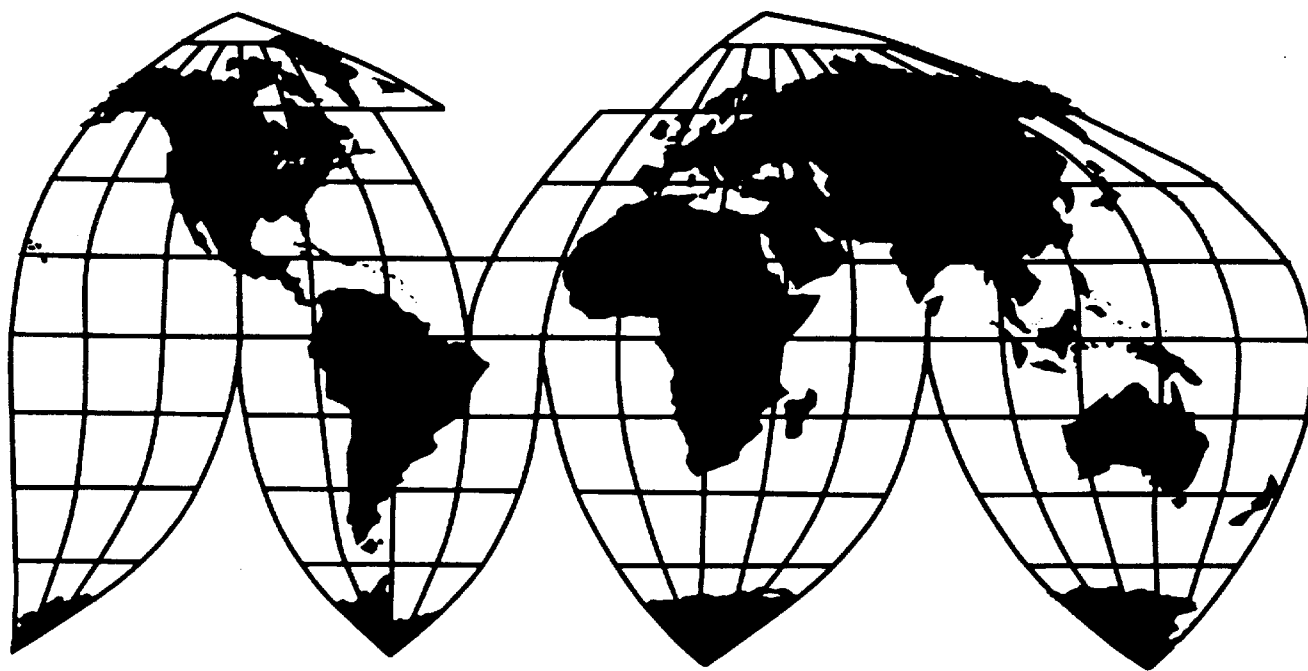
Investigation Nos. AA1921-197 (Second Review); 701-TA-319, 320, 325-327, 348,  
and 350 (Second Review); and 731-TA-573, 574, 576, 578, 582-587, 612,  
and 614-618 (Second Review)

**VOLUME II: Information Obtained in the Reviews**

**Publication 3899**

**January 2007**

**U.S. International Trade Commission**



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**Address all communications to**  
**Secretary to the Commission**  
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**Washington, DC 20436**

# **U.S. International Trade Commission**

Washington, DC 20436

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### Appendixes

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.



# INTRODUCTION AND OVERVIEW

## BACKGROUND

On November 1, 2005, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (“the Act”), that it had instituted second reviews to determine whether revocation of the antidumping and countervailing duty orders on certain carbon steel products<sup>1</sup> from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom would likely lead to the continuation or recurrence of material injury to a domestic industry. Effective February 6, 2006, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. Table OVERVIEW-1 presents information relating to the background and schedule of these reviews.<sup>2</sup>

**Table OVERVIEW-1**  
**Certain carbon steel products: Background information**

Effective date	Action
November 20, 2000	The Commission makes affirmative determinations in the first reviews of the antidumping and countervailing duty orders on CTL plate and/or corrosion-resistant steel from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom. The Commission makes negative determinations in the first reviews of the antidumping and countervailing duty orders on CTL plate from Canada as well as the antidumping and countervailing duty orders on cold-rolled steel from Germany, Korea, the Netherlands, and Sweden (65 FR 75301, December 1, 2000).
December 15, 2000	U.S. Department of Commerce (“Commerce”) issues continuation orders following the first reviews (65 FR 78469)
April 1, 2004	Commerce revokes Germany’s CTL plate and corrosion-resistant steel countervailing duty orders (69 FR 17131)
November 1, 2005	Commission’s institution of second reviews (70 FR 62324, October 31, 2005)
February 6, 2006	Commission’s decision to conduct full reviews (71 FR 8874, February 21, 2006)
March 8, 2006	Commerce’s final results of expedited reviews on antidumping duty orders on CTL plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom (71 FR 11577)
March 22, 2006	Commission’s scheduling of the reviews (71 FR 16178, March 30, 2006)
June 6, 2006	Commerce’s final results of expedited reviews on countervailing duty orders on CTL plate from Brazil (71 FR 32522), Mexico (71 FR 32521), and Spain (71 FR 32523); countervailing duty order on corrosion-resistant steel from Korea (71 FR 32519); and antidumping duty orders on corrosion-resistant steel from Australia, Canada, France, Germany, Japan, and Korea (71 FR 32508)
October 3, 2006	Commission revises schedule (71 FR 58431)

Table continued on next page.

<sup>1</sup> The term “certain carbon steel products” includes cut-to-length (“CTL”) carbon steel plate (report pages marked “CTL” and referred to as “CTL plate”) and corrosion-resistant carbon steel flat products (report pages marked “CORE” and referred to as “corrosion-resistant steel”).

<sup>2</sup> The Commission’s notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in app. A and may also be found on the Commission’s web site ([www.usitc.gov](http://www.usitc.gov)). Commissioners’ votes on whether to conduct an expedited or full review may also be found at the web site.

**Table OVERVIEW-1--Continued**  
**Certain carbon steel products: Background information**

Effective date	Action
October 4, 2006	Commerce's final results of full reviews on countervailing duty orders on CTL plate from Belgium (71 FR 58585), Sweden (71 FR 58587), and the United Kingdom (71 FR 58587) and on corrosion-resistant steel from France (71 FR 58584)
October 4, 2006	Commission terminates countervailing duty review on CTL plate from the United Kingdom (71 FR 62121, October 23, 2006) following Commerce's revocation of the CVD order ( <i>see above</i> )
October 17, 2006	Commission's hearing on corrosion-resistant steel <sup>1</sup>
October 19, 2006	Commission's hearing on CTL plate <sup>1</sup>
December 14, 2006	Commission's vote
January 25, 2007	Commission's determination transmitted to Commerce
<sup>1</sup> App. B contains a list of witnesses appearing at the hearings.	
Source: Cited <i>Federal Register</i> notices.	

## THE ORIGINAL INVESTIGATIONS

### The Commission's Investigations

On October 25, 1978, the U.S. Department of the Treasury ("Treasury") instituted an antidumping duty investigation on imports of plate from Taiwan in conjunction with its administration of the Trigger Price Mechanism, a program established to monitor prices at which certain steel mill products enter the United States.<sup>3</sup> On February 14, 1979, Treasury published a dumping finding with respect to plate from Taiwan.<sup>4</sup> The Commission instituted investigation AA1921-197 on February 26, 1979,<sup>5</sup> and made its final determination on May 12, 1979. The Commission found that the U.S. industry that was injured or likely to be injured was a regional industry consisting of domestic producers in California, Washington, and Oregon. Treasury issued an antidumping finding on June 13, 1979.

On June 30, 1992, petitions<sup>6</sup> were filed with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of subsidized imports of CTL plate from 10 countries; hot-rolled products from 7 countries; cold-rolled products from 11 countries; and corrosion-resistant products from 8 countries. The petitions further alleged that an industry in the United States was materially injured by reason of dumped imports of CTL plate from 15 countries; hot-rolled products from 9 countries; cold-rolled products from 15 countries; and corrosion-resistant products from 9 countries.<sup>7</sup> Following affirmative final determinations of subsidization and sales at LTFV by Commerce and material injury by the Commission, Commerce published the countervailing duty orders on August 17, 1993 and the antidumping duty orders on August 19, 1993. With respect to the CTL plate product at issue in these reviews, the Commission made final affirmative determinations regarding subject imports from Belgium,

<sup>3</sup> 43 FR 49375, October 25, 1978.

<sup>4</sup> 44 FR 9639, February 14, 1979.

<sup>5</sup> 44 FR 11854, March 2, 1979.

<sup>6</sup> The petitions were filed by Armco, Bethlehem, Geneva, Gulf States, Ispat/Inland, Laclede Steel, LTV, Lukens, National, Sharon, USX, and WCI.

<sup>7</sup> *Certain Flat-rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Invs. Nos. 701-TA-319-354 and 731-TA-573-620 (Preliminary)*, USITC Publication 2549, August 1992, pp. 2-4.

Brazil, Canada, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom. With respect to the corrosion-resistant steel product at issue in these reviews, the Commission made final affirmative determinations regarding subject imports from Australia, Canada, France, Germany, Japan, and Korea.<sup>8</sup> Table OVERVIEW-2 presents information on the merchandise still subject to order, the dates of the original orders issued by Commerce, the types of orders, the countries covered, the investigation numbers at both Commerce and the Commission, and the relevant *Federal Register* citations for the issuance of the subject orders.<sup>9</sup>

**Table OVERVIEW-2**

**Certain carbon steel products: Subject merchandise, dates of original orders, types of orders, countries, investigation numbers, and *Federal Register* notices**

Subject merchandise	Order date	Type of order	Country	Investigation number		<i>Federal Register</i> notice
				Commerce	Commission	
Carbon steel plate	6/13/79	Antidumping duty	Taiwan	A-583-080	AA1921-197	44 FR 33877
	8/17/93	Countervailing duty	Belgium	C-423-806	701-TA-319	58 FR 43749
	8/17/93	Countervailing duty	Brazil	C-351-818	701-TA-320	58 FR 43751
	8/17/93	Countervailing duty	Mexico	C-201-810	701-TA-325	58 FR 43755
	8/17/93	Countervailing duty	Spain	C-469-804	701-TA-326	58 FR 43761
	8/17/93	Countervailing duty	Sweden	C-401-804	701-TA-327	58 FR 43758
	8/19/93	Antidumping duty	Belgium	A-423-805	731-TA-573	58 FR 44164
	8/19/93	Antidumping duty	Brazil	A-351-817	731-TA-574	58 FR 44164
	8/19/93	Antidumping duty	Finland	A-405-802	731-TA-576	58 FR 44165
	8/19/93	Antidumping duty	Germany	A-428-816	731-TA-578	58 FR 44170
	8/19/93	Antidumping duty	Mexico	A-201-809	731-TA-582	58 FR 44165
	8/19/93	Antidumping duty	Poland	A-455-802	731-TA-583	58 FR 44166
	8/19/93	Antidumping duty	Romania	A-485-803	731-TA-584	58 FR 44167
	8/19/93	Antidumping duty	Spain	A-469-803	731-TA-585	58 FR 44167
	8/19/93	Antidumping duty	Sweden	A-401-805	731-TA-586	58 FR 44168
	8/19/93	Antidumping duty	United Kingdom	A-412-814	731-TA-587	58 FR 44168
Corrosion-resistant steel	8/17/93	Countervailing duty	France	C-427-810	701-TA-348	58 FR 43759
	8/17/93	Countervailing duty	Korea	C-580-818	701-TA-350	58 FR 43752
	8/19/93	Antidumping duty	Australia	A-602-803	731-TA-612	58 FR 44161
	8/19/93	Antidumping duty	Canada	A-122-822	731-TA-614	58 FR 44162
	8/19/93	Antidumping duty	France	A-427-808	731-TA-615	58 FR 44169
	8/19/93	Antidumping duty	Germany	A-428-815	731-TA-616	58 FR 44170
	8/19/93	Antidumping duty	Japan	A-588-824	731-TA-617	58 FR 44163
	8/19/93	Antidumping duty	Korea	A-580-816	731-TA-618	58 FR 44159

Source: Cited *Federal Register* notices.

<sup>8</sup> *Certain Flat-rolled Carbon Steel Products from Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom*, Invs. Nos. 701-TA-319-322, 334, 336-342, 344, and 347-353 and 731-TA-573-579, 581-592, 594-597, 599-609 and 612-619 (Final), USITC Publication 2664, August 1993, pp. 2-5.

<sup>9</sup> As discussed in greater detail in the section entitled “The First Reviews,” Commerce revoked Canada’s CTL plate antidumping and countervailing duty orders on December 15, 2000 (65 FR 78467). Subsequently, Commerce revoked Germany’s CTL plate and corrosion-resistant steel countervailing duty orders on October 4, 2004 (69 FR 17131) and revoked the United Kingdom’s CTL plate countervailing duty order on October 4, 2006 (71 FR 58587).

## Subsequent Proceedings

The Commission's determinations in the original flat-rolled carbon steel investigations faced several legal challenges before the U.S. Court of International Trade ("Court" or "CIT"). In addition to litigation involving cold-rolled steel, a product that is not at issue in these second reviews, the Commission's CTL plate determinations regarding Belgium, Poland, Finland, and Romania were appealed.<sup>10</sup> The Court sustained the Commission's determinations to cumulate South African imports as well as those from Belgium, Poland, Finland, and Romania, and its decision to exclude imports from France and Korea.<sup>11</sup>

The Commission's corrosion-resistant steel determinations were appealed and upheld as well. The CIT affirmed both the Commission's affirmative determinations and its negative determinations.<sup>12</sup> The CIT remanded one Commissioner's separate determination with respect to application of the negligibility exception to imports from Mexico. Upon remand, the Court sustained the Commissioner's clarified views.<sup>13</sup>

## THE FIRST REVIEWS

### The Commission's Reviews

On September 1, 1999, the Commission gave notice, pursuant to section 751(c) of the Act, that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom would likely lead to the continuation or recurrence of material injury to a domestic industry. Effective December 3, 1999, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.

On November 20, 2000, the Commission, pursuant to section 751(c) of the Act, determined that the revocation of the antidumping and countervailing duty orders on CTL plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom would be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. Additionally, the Commission determined that the revocation of the antidumping and countervailing duty orders on corrosion-resistant steel from Australia, Canada, France, Germany, Japan, and Korea would be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission further determined that revocation of the antidumping and countervailing duty orders on CTL plate from Canada, and on cold-rolled steel from Germany, Korea, the Netherlands, and Sweden, would not be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>14</sup> On December 15, 2000, Commerce published notice of the continuation of the antidumping and countervailing duty orders on CTL plate and corrosion-resistant steel from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain,

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<sup>10</sup> *Stalexport and Huta Czestochowa v. United States*, 890 F. Supp. 1053 (Ct. Int'l Trade 1995).

<sup>11</sup> *Stalexport and Huta Czestochowa v. United States*, 890 F. Supp. 1053, p. 1076 (Ct. Int'l Trade 1995).

<sup>12</sup> *Nippon Steel Corp. v. United States*, 19 CIT 450 (1995).

<sup>13</sup> *Nippon Steel Corp. v. United States*, 19 CIT 827 (1995).

<sup>14</sup> *Certain Carbon Steel Products From Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, The Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and The United Kingdom*, Invs. Nos. AA1921-197, 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350, and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618, USITC Publication 3364, November 2000, p. 2.



Sweden, Taiwan, and the United Kingdom.<sup>15</sup> Also on December 15, 2000, Commerce published notice of the revocation of the antidumping and countervailing duty orders on CTL plate from Canada, and on cold-rolled steel from Germany, Korea, the Netherlands, and Sweden.<sup>16</sup>

### **Subsequent Proceedings**

The Commission's affirmative final determinations in its first five-year review of the antidumping and countervailing duty orders on CTL plate from Belgium and Germany were the subject of appeal. Initially, the CIT remanded the case for the Commission to apply the meaning of "likely" as "probable" in conducting both its cumulation analysis under 19 U.S.C. §1675a(a)(7) and its likelihood of material injury analysis.<sup>17</sup> The Commission provided further explanation for its views, and the CIT found that the Commission had adequately explained all the issues on which the determinations were remanded.<sup>18</sup> However, because the U.S. Court of Appeals for the Federal Circuit ("CAFC") had ruled in a Commerce case that floor plate was not within the scope of the 1993 antidumping and countervailing duty orders on Belgium (contrary to Commerce's finding),<sup>19</sup> the CIT again remanded the determinations so that the Commission could review the pertinent data without consideration of floor plate. On the second remand, the Commission once again determined that revocation of the countervailing and antidumping duty orders on CTL plate from Belgium and Germany would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The CIT and, ultimately, the CAFC, affirmed.<sup>20</sup>

The Commission's affirmative determinations in the first review with respect to corrosion-resistant steel from France and Germany were appealed, but ultimately upheld by the CIT following remand.<sup>21</sup> In May 2005, a NAFTA Panel affirmed the Commission's affirmative determination in the first review with respect to corrosion-resistant steel from Canada.<sup>22</sup>

### **PREVIOUS AND RELATED TITLE VII INVESTIGATIONS**

The Commission has conducted a number of previous import relief investigations on certain carbon steel products or substantially similar merchandise. Table OVERVIEW-3 presents data on previous and related title VII investigations for CTL plate, and table OVERVIEW-4 presents data on previous and related title VII investigations on corrosion-resistant steel.

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<sup>15</sup> 65 FR 78469, December 15, 2000.

<sup>16</sup> 65 FR 78467, December 15, 2000.

<sup>17</sup> *Usinor Industeel, S.A. v. United States*, 26 CIT \_\_\_, Slip Op. 02-39 at 25 (2002).

<sup>18</sup> *Usinor Industeel, S.A. v. United States*, 26 CIT \_\_\_, Slip Op. 02-152 at 23 (2002).

<sup>19</sup> *Duferco Steel, Inc. v. United States*, 296 F.3d 1087, 1095 (Fed. Cir. 2002).

<sup>20</sup> *Usinor Industeel, S.A. v. United States*, 27 CIT \_\_\_, Slip Op. 03-118 (2003), aff'd, 112 Fed. Appx. 59 (2004).

<sup>21</sup> *Usinor v. United States*, 342 F.Supp. 2d 1267 (Ct. Int'l Trade 2004).

<sup>22</sup> *Corrosion-Resistant Carbon Steel Flat Products from Canada*, USA-CDA-2000-1904-11.

Table OVERVIEW-3

CTL plate: Previous and related investigations, 1978-2006

Original Investigation				First Review		Current Status
Date <sup>1</sup>	Number	Country	Outcome	Date <sup>1</sup>	Outcome	
1978	AA1921-179	Japan	Affirmative	-	-	ITA revoked 4/18/86
1979	AA1921-197	Taiwan	Affirmative	1999	Affirmative	Under review
1979	AA1921-203	Poland	Negative	-	-	-
1980	731-TA-18	Belgium	Affirmative <sup>2</sup>	-	-	Terminated 10/1/80
1980	731-TA-19	Germany (West)	Affirmative <sup>2</sup>	-	-	Petition withdrawn 10/8/80
1980	731-TA-20	France	Affirmative <sup>2</sup>	-	-	Petition withdrawn 10/8/80
1980	731-TA-21	Italy	Affirmative <sup>2</sup>	-	-	Petition withdrawn 10/8/80
1980	731-TA-22	Luxembourg	Affirmative <sup>2</sup>	-	-	Petition withdrawn 10/8/80
1980	731-TA-23	Netherlands	Affirmative <sup>2</sup>	-	-	Petition withdrawn 10/8/80
1980	731-TA-24	United Kingdom	Affirmative <sup>2</sup>	-	-	Petition withdrawn 10/8/80
1981	701-TA-83	Belgium	Affirmative <sup>2</sup>	-	-	Incorporated into 701-TA-86
1981	701-TA-84	Brazil	Affirmative <sup>2</sup>	-	-	Incorporated into 701-TA-87
1982	731-TA-51	Romania	Affirmative <sup>2</sup>	-	-	Incorporated into 731-TA-58
1982	701-TA-86	Belgium	Affirmative	-	-	Terminated 10/26/82
1982	701-TA-87	Brazil	Affirmative	-	-	Terminated 9/18/85
1982	701-TA-88	France	Negative <sup>2</sup>	-	-	-
1982	701-TA-89	Italy	Negative <sup>2</sup>	-	-	-
1982	701-TA-90	Luxembourg	Negative <sup>2</sup>	-	-	-
1982	701-TA-91	Netherlands	Negative <sup>2</sup>	-	-	-
1982	701-TA-92	United Kingdom	Affirmative <sup>2</sup>	-	-	Terminated 10/26/82
1982	701-TA-93	Germany (West)	Affirmative <sup>2</sup>	-	-	Terminated 10/26/82
1982	701-TA-155	Spain	Affirmative	-	-	ITA revoked 8/21/85
1982	701-TA-170	Korea	Affirmative	-	-	ITA revoked 10/10/85
1982	731-TA-53	Belgium	Affirmative <sup>2</sup>	-	-	Terminated 10/26/82
1982	731-TA-54	France	Negative <sup>2</sup>	-	-	-
1982	731-TA-55	Italy	Negative <sup>2</sup>	-	-	-
1982	731-TA-56	Luxembourg	Negative <sup>2</sup>	-	-	-
1982	731-TA-57	Netherlands	Negative <sup>2</sup>	-	-	-
1982	731-TA-58	Romania	Affirmative <sup>2</sup>	-	-	Terminated 7/3/85
1982	731-TA-59	United Kingdom	Affirmative <sup>2</sup>	-	-	Terminated 10/26/82
1982	731-TA-60	Germany (West)	Affirmative <sup>2</sup>	-	-	Terminated 10/26/82

Table continued on next page.

**Table OVERVIEW-3--Continued**  
**CTL plate: Previous and related investigations, 1978-2006**

Original Investigation				First Review		Current Status
Date <sup>1</sup>	Number	Country	Outcome	Date <sup>1</sup>	Outcome	
1983	701-TA-204	Brazil	Affirmative	-	-	ITA revoked 9/6/85
1983	731-TA-123	Brazil	Affirmative	-	-	ITA revoked 8/21/85
1983	731-TA-146	Belgium	Affirmative <sup>2</sup>	-	-	Terminated 12/10/84
1983	731-TA-147	Germany (West)	Affirmative (on remand) <sup>2</sup>	-	-	Terminated 11/29/84
1983	731-TA-151	Korea	Affirmative	-	-	ITA revoked 4/17/86
1984	701-TA-225	Sweden	Negative	-	-	-
1984	701-TA-226	Venezuela	Affirmative <sup>2</sup>	-	-	Terminated 7/31/85
1984	731-TA-169	Finland	Affirmative <sup>2</sup>	-	-	Petition withdrawn 1/18/85
1984	731-TA-170	South Africa	Affirmative <sup>2</sup>	-	-	Petition withdrawn 6/07/84
1984	731-TA-171	Spain	Affirmative <sup>2</sup>	-	-	Terminated 1/22/85
1984	731-TA-213	Czechoslovakia	Affirmative <sup>2</sup>	-	-	Petition withdrawn 5/28/85
1984	731-TA-214	Germany (East)	Affirmative <sup>2</sup>	-	-	Terminated 8/12/85
1984	731-TA-215	Hungary	Affirmative <sup>2</sup>	-	-	Petition withdrawn 5/28/85
1984	731-TA-216	Poland	Affirmative <sup>2</sup>	-	-	Terminated 8/12/85
1984	731-TA-217	Venezuela	Affirmative <sup>2</sup>	-	-	Petition withdrawn 7/19/85
1992	701-TA-319	Belgium	Affirmative	1999	Affirmative	Under review
1992	701-TA-320	Brazil	Affirmative	1999	Affirmative	Under review
1992	701-TA-321	France	Negative	-	-	-
1992	701-TA-322	Germany	Affirmative	1999	Affirmative	ITA revoked 4/1/04
1992	701-TA-323	Italy	Negative	-	-	-
1992	701-TA-324	Korea	Negative	-	-	-
1992	701-TA-325	Mexico	Affirmative	1999	Affirmative	Under review
1992	701-TA-326	Spain	Affirmative	1999	Affirmative	Under review
1992	701-TA-327	Sweden	Affirmative	1999	Affirmative	Under review
1992	701-TA-328	United Kingdom	Affirmative	1999	Affirmative	ITA revoked 10/4/06

Table continued on next page.

**Table OVERVIEW-3--Continued**  
**CTL plate: Previous and related investigations, 1978-2006**

Original Investigation				First Review		Current Status
Date <sup>1</sup>	Number	Country	Outcome	Date <sup>1</sup>	Outcome	
1992	731-TA-573	Belgium	Affirmative	1999	Affirmative	Under review
1992	731-TA-574	Brazil	Affirmative	1999	Affirmative	Under review
1992	731-TA-575	Canada	Affirmative	1999	Negative	-
1992	731-TA-576	Finland	Affirmative	1999	Affirmative	Under review
1992	731-TA-577	France	Negative	-	-	-
1992	731-TA-578	Germany	Affirmative	1999	Affirmative	Under review
1992	731-TA-579	Italy	Negative	-	-	-
1992	731-TA-580	Japan	Negative <sup>2</sup>	-	-	-
1992	731-TA-581	Korea	Negative	-	-	-
1992	731-TA-582	Mexico	Affirmative	1999	Affirmative	Under review
1992	731-TA-583	Poland	Affirmative	1999	Affirmative	Under review
1992	731-TA-584	Romania	Affirmative	1999	Affirmative	Under review
1992	731-TA-585	Spain	Affirmative	1999	Affirmative	Under review
1992	731-TA-586	Sweden	Affirmative	1999	Affirmative	Under review
1992	731-TA-587	United Kingdom	Affirmative	1999	Affirmative	Under review
1996	731-TA-753	China	Affirmative	2002	Affirmative	Order in place
1996	731-TA-754	Russia	Affirmative	2002	Affirmative	Suspension agreement
1996	731-TA-755	South Africa	Affirmative	2002	Negative	-
1996	731-TA-756	Ukraine	Affirmative	2002	Affirmative	Suspension agreement
1999	731-TA-815	Czech Republic	Negative <sup>2</sup>	-	-	-
1999	731-TA-816	France	Affirmative	2005	Negative	-
1999	731-TA-817	India	Affirmative	2005	Affirmative	Order in place
1999	731-TA-818	Indonesia	Affirmative	2005	Affirmative	Order in place
1999	731-TA-819	Italy	Affirmative	2005	Affirmative	Order in place
1999	731-TA-820	Japan	Affirmative	2005	Affirmative	Order in place
1999	731-TA-821	Korea	Affirmative	2005	Affirmative	Order in place
1999	731-TA-822	Macedonia	Negative <sup>2</sup>	-	-	-

<sup>1</sup> "Date" refers to the year in which the investigation or review was instituted by the Commission.

<sup>2</sup> Preliminary determination.

Source: Compiled from Commission determinations published in the Federal Register.

Table OVERVIEW-4

CORE: Previous and related investigations, 1978-2006

Original Investigation				First Review		Current Status
Date <sup>1</sup>	Number	Country	Outcome	Date <sup>1</sup>	Outcome	
1980	731-TA-18	Belgium	Affirmative <sup>2</sup>	-	-	Terminated 10/1/80
1980	731-TA-19	Germany (West)	Affirmative <sup>2</sup>	-	-	Terminated 10/1/80
1980	731-TA-20	France	Affirmative <sup>2</sup>	-	-	Terminated 10/1/80
1980	731-TA-21	Italy	Affirmative <sup>2</sup>	-	-	Terminated 10/1/80
1980	731-TA-23	Netherlands	Affirmative <sup>2</sup>	-	-	Terminated 10/1/80
1980	731-TA-24	United Kingdom	Affirmative <sup>2</sup>	-	-	Terminated 10/1/80
1982	701-TA-110	Belgium	Negative <sup>2</sup>	-	-	-
1982	701-TA-111	France	Negative <sup>2</sup>	-	-	-
1982	701-TA-112	Italy	Negative <sup>2</sup>	-	-	-
1982	701-TA-113	Luxembourg	Negative <sup>2</sup>	-	-	-
1982	701-TA-114	Netherlands	Negative <sup>2</sup>	-	-	-
1982	701-TA-115	United Kingdom	Negative <sup>2</sup>	-	-	-
1982	701-TA-116	Germany (West)	Negative <sup>2</sup>	-	-	-
1982	701-TA-158	Spain	Affirmative	-	-	ITA revoked 8/21/85
1982	701-TA-173	Korea	Affirmative	-	-	ITA revoked 10/10/85
1982	731-TA-75	Belgium	Negative <sup>2</sup>	-	-	-
1982	731-TA-76	France	Negative <sup>2</sup>	-	-	-
1982	731-TA-77	Italy	Negative <sup>2</sup>	-	-	-
1982	731-TA-78	Luxembourg	Negative <sup>2</sup>	-	-	-
1982	731-TA-79	Netherlands	Negative <sup>2</sup>	-	-	-
1982	731-TA-80	United Kingdom	Negative <sup>2</sup>	-	-	-
1982	731-TA-81	Germany (West)	Negative <sup>2</sup>	-	-	-
1984	701-TA-212	Australia	Affirmative <sup>2</sup>	-	-	ITA negative 5/10/84
1984	701-TA-233	Austria	Negative <sup>2</sup>	-	-	-
1984	701-TA-234	Venezuela	Negative <sup>2</sup>	-	-	-
1984	731-TA-178	Australia	Affirmative <sup>2</sup>	-	-	Petition withdrawn 1/18/85
1984	731-TA-179	South Africa	Affirmative <sup>2</sup>	-	-	Petition withdrawn 6/7/84
1984	731-TA-180	Spain	Affirmative <sup>2</sup>	-	-	Petition withdrawn 1/18/85
1984	731-TA-230	Austria	Negative <sup>2</sup>	-	-	-
1984	731-TA-231	Germany (East)	Negative <sup>2</sup>	-	-	-
1984	731-TA-232	Romania	Negative <sup>2</sup>	-	-	-
1984	731-TA-233	Venezuela	Negative <sup>2</sup>	-	-	-

Table continued on next page.

**Table OVERVIEW-4--Continued**  
**CORE: Previous and related investigations, 1978-2006**

Original Investigation				First Review		Current Status
Date <sup>1</sup>	Number	Country	Outcome	Date <sup>1</sup>	Outcome	
1992	701-TA-342	Korea	Affirmative	1999	Affirmative	Under review
1992	701-TA-348	France	Affirmative	1999	Affirmative	Under review
1992	701-TA-349	Germany	Affirmative	1999	Affirmative	ITA revoked 4/1/04
1992	701-TA-354	Taiwan	Negative <sup>2</sup>	-	-	-
1992	731-TA-612	Australia	Affirmative	1999	Affirmative	Under review
1992	731-TA-613	Brazil	Negative	-	-	-
1992	731-TA-614	Canada	Affirmative	1999	Affirmative	Under review
1992	731-TA-615	France	Affirmative	1999	Affirmative	Under review
1992	731-TA-616	Germany	Affirmative	1999	Affirmative	Under review
1992	731-TA-617	Japan	Affirmative	1999	Affirmative	Under review
1992	731-TA-618	Korea	Affirmative	1999	Affirmative	Under review
1992	731-TA-619	Mexico	Negative	-	-	-
1992	731-TA-620	Taiwan	Negative <sup>2</sup>	-	-	-
<sup>1</sup> "Date" refers to the year in which the investigation or review was instituted by the Commission. <sup>2</sup> Preliminary determination. Source: Compiled from Commission determinations published in the Federal Register.						

## PREVIOUS AND RELATED SAFEGUARD INVESTIGATIONS

Following receipt of a request from the Office of the United States Trade Representative ("USTR") on June 22, 2001, the Commission instituted investigation No. TA-201-73, *Steel*, under section 202 of the Trade Act of 1974<sup>23</sup> to determine whether certain steel products, including CTL plate and corrosion-resistant steel, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.<sup>24</sup> On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the U.S. Senate ("Senate Finance Committee" or "Committee") requesting that the Commission investigate certain steel imports under section 201 of the Trade Act of 1974.<sup>25</sup> Consistent with the Senate Finance Committee's resolution, the Commission consolidated the investigation requested by the Committee with the Commission's previously instituted investigation No. TA-201-73.<sup>26</sup> On December 20, 2001, the Commission issued its determinations and

<sup>23</sup> 19 U.S.C. § 2252.

<sup>24</sup> *Institution and Scheduling of an Investigation under Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) (the Act)*, 66 FR 35267, July 3, 2001.

<sup>25</sup> 19 U.S.C. § 2251.

<sup>26</sup> *Consolidation of Senate Finance Committee Resolution Requesting a Section 201 Investigation with the Investigation Requested by the United States Trade Representative on June 22, 2001*, 66 FR 44158, August 22, 2001.

remedy recommendations. The Commission reached an affirmative determination with respect to certain flat-rolled steel (including CTL plate and corrosion-resistant steel).

On March 5, 2002, following determinations regarding serious injury or threat of serious injury by the Commission under section 202 of the Trade Act of 1974, the President announced the safeguard measures that he planned to implement to facilitate efforts by various domestic steel industries and their workers to make a positive adjustment to import competition with respect to certain steel products. The safeguard measures encompassed 10 different product categories for which the Commission made affirmative determinations or was evenly divided. Presidential Proclamation 7529 implemented the safeguard measures, principally in the form of tariffs and tariff-rate quotas, effective March 20, 2002, for a period of three years and one day. Import relief relating to CTL plate and corrosion-resistant steel consisted of an additional tariff of 30 percent *ad valorem* on imports in the first year, 24 percent in the second year, and 18 percent in the third year.<sup>27 28</sup> The President also instructed the Secretary of the Treasury and the Secretary of Commerce to establish a system of import licensing to facilitate the monitoring of imports of certain steel products.<sup>29</sup>

The safeguard measures applied to imports of subject steel products from all countries except Canada, Israel, Jordan, and Mexico, which had entered into free trade agreements with the United States, and most developing countries that were members of the World Trade Organization.<sup>30</sup> The President's initial proclamation also excluded numerous specific products from the measures, and was followed by subsequent additional exclusions.

On September 19, 2003, the Commission submitted a mid-term report to the President and the Congress on the results of its monitoring of developments in the steel industry, as required by section 204(a)(2) of the Trade Act of 1974.<sup>31</sup> The Commission's monitoring report noted that, although growth in demand for carbon and alloy flat-rolled products (the product category that included both CTL plate and corrosion-resistant steel) was at most modest and total imports increased, output-related indicators for the domestic industry such as production, capacity utilization, and shipments increased in the first relief year, as did labor productivity. Per-unit net sales rose while per-unit costs fell (despite rising raw material costs), resulting in improved financial performance.<sup>32</sup>

On December 4, 2003, President Bush terminated the U.S. measure with respect to increased tariffs, following receipt of the Commission's mid-point monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, having determined that the effectiveness of the action taken had been impaired by changed circumstances.<sup>33</sup>

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<sup>27</sup> *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002.

<sup>28</sup> The increased duties were reduced from 30 percent to 24 percent on March 20, 2003.

<sup>29</sup> The Department of Commerce published regulations establishing such a system on December 31, 2002.

<sup>30</sup> Of the countries subject to these reviews, no safeguard measures were applied to imports from Canada, Mexico, and Poland. While safeguard measures were applied to Romania for certain steel products, safeguard measures were not applied to flat-rolled steel from that country. Imports of flat-rolled steel other than tin mill products from Brazil were subject to the U.S. safeguard measures, notwithstanding that country's designation as a developing country WTO member.

<sup>31</sup> *Steel: Monitoring Developments in the Domestic Industry*, Inv. No. TA-204-9, USITC Publication 3632, September 2003.

<sup>32</sup> *Steel: Monitoring Developments in the Domestic Industry*, Inv. No. TA-204-9, Volume I, USITC Publication 3632, September 2003, p. ix.

<sup>33</sup> *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003.

Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.<sup>34</sup>

On March 21, 2005, the Commission instituted an investigation under section 204(d) of the Trade Act of 1974 for the purpose of evaluating the effectiveness of the relief action imposed by the President on imports of certain steel products. The Commission's report on the evaluation was transmitted to the President and the Congress on September 19, 2005.

## STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

### Statutory Criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance or continuation of an antidumping or countervailing duty order, or the suspension of an investigation, to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

*(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*

*(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*

*(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*

*(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*

*(D) in an antidumping proceeding . . . , (Commerce's findings) regarding duty absorption . . .*

*(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--*

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<sup>34</sup> Proclamation 7741 terminated the tariff-rate quota and the increased import duties on certain steel products, but directed the Secretary of Commerce to continue the monitoring system until the earlier of March 21, 2005, or such time as the Secretary establishes a replacement program. On March 11, 2005, Commerce published an interim final rule to implement a replacement program for the period beyond March 21, 2005. *Steel Import Monitoring and Analysis System*, 70 FR 12133, March 11, 2005. On December 5, 2005, Commerce published its final rule. *Steel Import Monitoring and Analysis System*, 70 FR 72373, December 5, 2005.



*(A) any likely increase in production capacity or existing unused production capacity in the exporting country,*

*(B) existing inventories of the subject merchandise, or likely increases in inventories,*

*(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and*

*(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.*

*(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--*

*(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and*

*(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.*

*(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--*

*(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,*

*(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and*

*(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.*

*The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.*

Section 752(a)(6) of the Act states further that in making its determination, “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.” In these second reviews, Commerce discussed in its unpublished Issues and Decision Memoranda<sup>35</sup> countervailable subsidies for CTL plate from Belgium,<sup>36</sup> Brazil,<sup>37</sup> Mexico,<sup>38</sup> Spain,<sup>39</sup> and Sweden<sup>40</sup> and corrosion-resistant steel from France<sup>41</sup> and Korea.<sup>42</sup>

### **Organization of the Report**

Information obtained during the course of these reviews that relates to the statutory criteria presented above appears throughout this report. The report is divided into two primary sections based on the Commission’s findings with respect to the domestic like products in the first reviews. The first section relates to CTL plate. The second section relates to corrosion-resistant steel. A summary of data collected in the reviews relating to CTL plate and corrosion-resistant steel is presented in appendix C. Appendix D reproduces portions of the tariff schedule to illustrate the treatment of CTL plate and corrosion-resistant steel in the HTSUS. Appendix E identifies excluded forms of carbon steel products. Appendixes F, G, and H present comments by market participants regarding the domestic like product (*i.e.*, the product most “like” the subject imports). Appendixes I and J present the views of market participants regarding the effectiveness of the subject orders and the likely effect of their revocation. Finally, appendix K elaborates on purchasing considerations for U.S. and nonsubject imported product.

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<sup>35</sup> Retrieved from <http://ia.ita.doc.gov/frn/index.html> on November 20, 2006.

<sup>36</sup> Commerce described 19 programs with respect to Belgium. However, with the exception of the “Promotion Brochure” and “Audio Visual Calling Card” programs, these programs do not fall within the meaning of Article 3.

<sup>37</sup> Commerce described 5 programs with respect to Brazil, none of which fall within the meaning of Article 3.

<sup>38</sup> Commerce described 11 programs with respect to Mexico, 2 of which were found to be export subsidies as described in Article 3: Bancomext Export Loans and PITEC Duty-Free Imports for Companies that Export.

<sup>39</sup> Commerce described 6 programs with respect to Spain, none of which fall within the meaning of Article 3.

<sup>40</sup> Commerce described 7 programs with respect to Sweden none of which fall within the meaning of Article 3.

<sup>41</sup> Commerce described 9 programs with respect to France, none of which fall within the meaning of Article 3.

<sup>42</sup> Commerce described 11 programs with respect to Korea, 5 of which were found to be export subsidies as described in Article 3: Reserve for Export Loss; Reserve for Overseas Market Development; Short-Term Export Financing; Unlimited Deduction of Overseas Entertainment Expenses; and Duty Drawback.

## **PART CTL-I: INTRODUCTION AND OVERVIEW**

### **GENERAL INFORMATION**

U.S. industry data are based on questionnaire responses of 27 firms that accounted for nearly all of the U.S. production of CTL plate during the period for which data were collected in these second reviews. U.S. import data are based on official Commerce statistics.<sup>1</sup> Responses by U.S. producers, importers, and purchasers of CTL plate to a series of questions concerning the significance of the countervailing duty orders and the existing antidumping duty orders and the likely effects of revocation are presented in appendix I. Responses concerning the comparability of flat bar and micro-alloy plate with carbon steel CTL plate are presented in appendixes F and G, respectively.

Table CTL-I-1 presents comparative information available from the original investigations, the first reviews, and these second reviews. Data relating to the domestic industry for the period 1990-92 do not include the operations of U.S. service centers engaged in processing hot-rolled steel coils in plate thicknesses into individual plates. However, since 1997, the Commission has deemed such operations to constitute “production” of CTL plate.<sup>2</sup> Accordingly, in these second reviews, as in the first reviews, both U.S. mills’ and U.S. processors’ operations are included in data and descriptions pertaining to the domestic industry.

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<sup>1</sup> Additional U.S. import data are compiled by U.S. Customs and Border Protection (“Customs”).

<sup>2</sup> *Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Invs. Nos. 731-TA-753-756 (Final)*, USITC Publication 3076, December 1997, pp. 10-12.

Table CTL-I-1

CTL plate: Comparative data from the original investigations, first reviews, and current reviews, 1990-92, 1997-99, and 2000-05

Item	Calendar years											
	1990	1991	1992	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Quantity (short tons)</b>												
Apparent U.S. consumption	5,633,203	4,756,817	4,964,626	6,627,268	8,222,194	6,001,329	6,814,613	6,234,474	6,539,570	6,354,810	6,978,552	7,281,971
<b>Share (percent)</b>												
Producers' share	84.9	85.4	84.1	83.6	79.4	89.8	89.7	89.7	91.6	95.1	92.3	90.9
Importers' shares--												
Belgium	2.0	1.8	1.0	( <sup>1</sup> )	0.1	0.1	0.2	0.3	0.2	0.1	0.1	0.1
Brazil	0.9	1.4	0.9	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )
Finland	1.5	1.2	0.9	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	0.0	0.0	( <sup>1</sup> )	0.0
Germany	1.1	0.8	0.4	0.2	( <sup>1</sup> )	( <sup>1</sup> )	0.1	( <sup>1</sup> )	0.6	( <sup>1</sup> )	0.3	( <sup>1</sup> )
Mexico <sup>2</sup>	0.7	0.4	1.2	( <sup>1</sup> )	0.6	1.2	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Poland	0.5	0.8	0.5	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	0.0	( <sup>1</sup> )	( <sup>1</sup> )
Romania	0.6	0.8	0.4	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.1	0.7	1.1	1.6	0.7
Spain	1.2	1.5	1.1	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	0.0	0.0	0.0
Sweden	1.6	1.4	1.8	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )
Taiwan <sup>3</sup>	--	--	--	0.0	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	0.0	0.0
United Kingdom	0.8	0.7	0.4	( <sup>1</sup> )	0.2	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
All subject sources	10.9	10.9	8.7	0.3	1.0	1.5	0.4	0.4	1.5	1.2	2.1	0.9
All other sources <sup>3</sup>	4.2	3.8	7.2	16.1	19.6	8.7	9.8	9.8	6.9	3.7	5.6	8.2
Total imports	15.1	14.6	15.9	16.4	20.6	10.2	10.3	10.3	8.4	4.9	7.7	9.1
<b>Value (1,000 dollars)</b>												
Apparent U.S. consumption	2,553,215	2,054,628	1,952,410	2,885,058	3,566,250	2,196,369	2,454,787	2,101,040	2,229,060	2,268,951	4,347,057	5,131,625
<b>Share (percent)</b>												
Producers' share	85.9	86.4	85.8	86.2	81.8	91.2	91.3	90.9	92.0	95.4	93.1	91.3
Importers' shares--												
Belgium	2.0	1.8	1.0	( <sup>1</sup> )	0.1	0.2	0.3	0.3	0.2	0.1	0.2	0.2
Brazil	0.8	1.3	0.8	0.1	( <sup>1</sup> )	( <sup>1</sup> )	0.1	0.1	( <sup>1</sup> )	0.0	( <sup>1</sup> )	0.1
Finland	1.4	1.1	0.9	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	0.0	0.0	( <sup>1</sup> )	0.0
Germany	1.0	0.8	0.6	0.1	( <sup>1</sup> )	( <sup>1</sup> )	0.2	( <sup>1</sup> )	0.8	0.1	0.2	( <sup>1</sup> )
Mexico <sup>2</sup>	0.6	0.3	1.0	( <sup>1</sup> )	0.5	1.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Poland	0.4	0.6	0.4	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	0.0	( <sup>1</sup> )	( <sup>1</sup> )
Romania	0.5	0.7	0.3	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.1	0.6	0.9	1.3	0.6
Spain	1.1	1.3	0.9	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	0.0	0.0	0.0
Sweden	1.6	1.4	1.7	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )	0.1	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )
Taiwan <sup>3</sup>	--	--	--	0.0	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	0.0	0.0

Table continued on next page.

Table CTL-I-1--*Continued*

CTL plate: Comparative data from the original investigations, first reviews, and current reviews, 1990-92, 1997-99, and 2000-05

Item	Calendar years											
	1990	1991	1992	1997	1998	1999	2000	2001	2002	2003	2004	2005
	Share (percent)											
Importers' shares--continued												
United Kingdom	0.7	0.6	0.4	( <sup>1</sup> )	0.3	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0
All subject sources	10.2	10.1	8.1	0.3	1.0	1.3	0.5	0.5	1.6	1.1	1.8	0.9
All other sources <sup>3</sup>	3.9	3.5	6.1	13.5	17.2	7.5	8.1	8.6	6.4	3.5	5.1	7.8
Total imports	14.1	13.6	14.2	13.8	18.2	8.8	8.7	9.1	8.0	4.6	6.9	8.7
	Quantity (short tons), Value (1,000 dollars), Average unit value (per short ton)											
U.S. Imports from--												
Belgium:												
Quantity	114,073	87,654	48,951	66	8,051	8,591	15,614	16,575	11,615	6,226	10,271	10,388
Value	51,827	36,953	18,760	33	4,046	3,537	6,458	6,511	4,951	3,086	7,023	8,923
Average unit value	\$454	\$422	\$383	\$507	\$503	\$412	\$414	\$393	\$426	\$496	\$684	\$859
Brazil												
Quantity	52,680	67,481	46,380	4,172	1,430	1,358	3,243	2,978	1,477	0	18	2,460
Value	21,512	26,920	16,295	2,357	801	553	1,546	1,386	288	0	7	3,138
Average unit value	\$408	\$399	\$351	\$565	\$560	\$407	\$477	\$465	\$195	--	\$366	\$1,276
Finland												
Quantity	83,287	55,648	46,875	34	1,024	28	0	19	0	0	1,290	0
Value	36,591	22,587	18,020	29	387	11	0	10	0	0	1,112	0
Average unit value	\$439	\$406	\$384	\$848	\$378	\$411	--	\$537	--	--	\$862	--
Germany												
Quantity	59,479	38,482	20,665	10,716	2,512	1,296	8,783	129	40,536	2,647	23,413	2,078
Value	26,736	17,207	11,172	3,990	1,623	594	4,030	92	17,028	1,688	10,641	1,440
Average unit value	\$450	\$447	\$541	\$372	\$646	\$458	\$459	\$710	\$420	\$638	\$454	\$693
Mexico: <sup>2</sup>												
Quantity	41,520	19,343	59,993	225	50,366	74,696	153	271	273	308	1,083	440
Value	15,143	6,505	19,331	98	16,968	21,757	65	141	81	123	570	271
Average unit value	\$365	\$336	\$322	\$434	\$337	\$291	\$428	\$521	\$298	\$400	\$526	\$615
Poland:												
Quantity	25,546	38,357	24,605	4,312	477	71	3	386	0	0	45	61
Value	9,521	13,309	7,427	1,544	167	23	4	95	0	0	23	36
Average unit value	\$373	\$347	\$302	\$358	\$351	\$321	\$1,270	\$247	--	--	\$505	\$595

Table continued on next page.

Table CTL-I-1--Continued

CTL plate: Comparative data from the original investigations, first reviews, and current reviews, 1990-92, 1997-99, and 2000-05

Item	Calendar years											
	1990	1991	1992	1997	1998	1999	2000	2001	2002	2003	2004	2005
	Quantity (short tons), Value (1,000 dollars), Average unit value (per short ton)											
U.S. Imports--continued												
Romania:												
Quantity	31,650	36,428	18,078	56	620	348	6	5,981	44,339	69,552	109,969	49,813
Value	12,476	14,578	6,656	21	166	114	6	1,433	12,627	20,706	58,584	31,292
Average unit value	\$394	\$400	\$368	\$387	\$267	\$327	\$890	\$240	\$285	\$298	\$533	\$628
Spain:												
Quantity	68,136	69,560	54,054	0	446	356	5	0	6	0	0	0
Value	28,367	26,871	18,377	0	191	191	2	0	2	0	0	0
Average unit value	\$416	\$386	\$340	--	\$427	\$538	\$444	--	\$358	--	--	--
Sweden:												
Quantity	91,269	68,337	89,741	123	0	188	354	1,312	198	0	280	182
Value	41,200	29,479	33,968	27	0	90	198	1,095	192	0	131	108
Average unit value	\$451	\$431	\$379	\$220	--	\$478	\$559	\$835	\$970	--	\$470	\$595
Taiwan: <sup>3</sup>												
Quantity	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0	223	0	75	66	226	0	0	0
Value	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0	55	0	26	20	270	0	0	0
Average unit value	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	--	\$247	--	\$353	\$309	\$1,194	--	--	--
United Kingdom:												
Quantity	43,489	34,869	21,276	781	18,726	2,706	847	125	79	23	8	17
Value	18,287	13,224	7,672	336	11,545	924	246	88	49	7	3	6
Average unit value	\$421	\$379	\$361	\$430	\$617	\$342	\$291	\$708	\$624	\$305	\$374	\$342
All subject sources:												
Quantity	611,129	516,159	430,618	20,486	83,875	89,638	29,083	27,842	98,749	78,755	146,377	65,439
Value	261,660	208,179	157,678	8,436	35,949	27,794	12,581	10,873	35,489	25,610	78,094	45,214
Average unit value	\$428	\$403	\$366	\$412	\$429	\$310	\$433	\$391	\$359	\$325	\$534	\$691
All other sources: <sup>3</sup>												
Quantity	239,074	178,658	357,008	1,069,578	1,611,887	522,600	669,666	611,424	452,321	234,670	390,123	598,444
Value	99,555	70,995	119,732	389,369	613,822	165,821	199,956	180,362	143,493	78,892	221,897	400,852
Average unit value	\$416	\$397	\$335	\$364	\$381	\$317	\$299	\$295	\$317	\$336	\$569	\$670
All sources:												
Quantity	850,203	694,817	787,626	1,090,064	1,695,762	612,238	698,749	639,266	551,069	313,425	536,500	663,883
Value	361,215	279,174	277,410	397,805	649,771	193,615	212,537	191,235	178,982	104,501	299,990	446,065
Average unit value	\$425	\$402	\$352	\$365	\$383	\$316	\$304	\$299	\$325	\$333	\$559	\$672

Table continued on next page.

Table CTL-I-1--*Continued*

CTL plate: Comparative data from the original investigations, first reviews, and current reviews, 1990-92, 1997-99, and 2000-05

Item	Calendar years											
	1990	1991	1992	1997	1998	1999	2000	2001	2002	2003	2004	2005
	Quantity (short tons), Value (1,000 dollars), Average unit value (per short ton)											
U.S. producers'—												
Capacity	7,413,000	7,347,000	6,958,000	7,338,833	9,090,730	8,367,246	10,086,195	10,382,440	10,600,470	11,138,353	10,629,073	10,793,425
Production	4,915,000	4,219,000	4,342,000	5,763,807	6,830,947	5,534,481	6,322,806	5,676,017	6,089,710	6,286,468	6,883,546	7,119,199
Capacity utilization <sup>4</sup>	66.3	57.4	62.4	78.5	75.1	66.1	62.7	54.7	57.4	56.4	64.7	65.7
U.S. shipments												
Quantity	4,783,000	4,062,000	4,177,000	5,537,204	6,526,432	5,389,091	6,115,864	5,595,208	5,988,501	6,041,385	6,442,052	6,618,088
Value	2,192,000	1,776,000	1,675,000	2,487,253	2,916,479	2,003,204	2,242,250	1,909,806	2,050,077	2,164,450	4,047,066	4,685,560
Unit value	\$458	\$437	\$401	\$449	\$447	\$372	\$367	\$341	\$342	\$358	\$628	\$708
Ending inventories	222,000	231,000	243,000	390,001	467,710	403,893	698,145	609,687	564,800	573,515	546,697	526,917
Inventories/total shipments <sup>4</sup>	4.6	5.5	5.6	6.8	6.9	7.2	11.0	10.6	9.1	9.0	8.0	7.5
PRWs (number)	3,743	3,557	3,515	8,021	8,337	6,558	5,547	4,869	4,477	4,317	3,973	3,928
Hours worked (1,000)	7,785	7,340	7,331	17,086	17,835	13,401	12,515	10,928	10,241	9,762	9,191	9,192
Net sales												
Quantity	4,688,000	3,990,000	4,073,000	5,010,162	5,929,487	4,532,809	4,830,187	4,367,368	4,745,921	5,297,394	5,638,486	5,672,541
Value	2,183,000	1,770,000	1,652,000	2,260,302	2,664,135	1,738,319	1,758,271	1,477,637	1,609,886	1,915,063	3,530,933	4,070,019
Unit value	\$466	\$444	\$406	\$451	\$449	\$384	\$364	\$338	\$339	\$362	\$626	\$717
COGS	1,890,000	1,663,000	1,660,000	2,097,346	2,436,994	1,834,144	1,800,011	1,572,475	1,628,547	1,908,344	2,692,538	2,967,611
Gross profit or (loss)	293,000	107,000	(9,000)	162,956	227,141	(95,825)	(41,740)	(94,838)	(18,661)	6,719	838,395	1,102,408
Operating income or (loss)	211,000	29,000	(84,000)	89,650	134,291	(177,067)	(153,340)	(200,090)	(115,190)	(130,436)	734,173	982,308
Unit COGS	\$403	\$416	\$408	\$419	\$411	\$405	\$373	\$360	\$343	\$360	\$478	\$523
Unit operating income or (loss)	\$45	\$7	(\$21)	\$18	\$23	(\$39)	(\$32)	(\$46)	(\$24)	(\$25)	\$130	\$173
COGS/sales <sup>4</sup>	86.6	93.9	100.5	92.8	91.5	105.5	102.4	106.4	101.2	99.6	76.3	72.9
Operating income or (loss)/sales <sup>4</sup>	9.7	1.6	(5.1)	4.0	5.0	(10.2)	(8.7)	(13.5)	(7.2)	(6.8)	20.8	24.1

<sup>1</sup> Less than 0.05 percent.<sup>2</sup> AHMSA's posthearing brief contains revised 1998-99 import statistics, listing the volume of imports from Mexico at 568 tons and 181 tons in 1998 and 1999, respectively.<sup>3</sup> U.S. imports of carbon steel plate from Taiwan were 0 short tons in 1976, 1,000 short tons in 1977, and 91,000 short tons in 1978. *Carbon Steel Plate From Taiwan, Investigation No. AA1921-197*, USITC Publication 970, May 1979, p. A-2. In the 1992-93 investigations, however, U.S. imports from Taiwan were considered nonsubject imports and thus are included in "all other sources" for the period 1990-92. "All other sources" also include U.S. imports from Canada, pursuant to the Commission's negative determination with respect to such imports in the first reviews.<sup>4</sup> In percent.

Note.—Comparability of data from the original investigations and the first reviews to data from the current reviews is mitigated by changes in coverage. These current reviews include several wide flat bar facilities and several larger processors not included in the original investigations and first reviews.

Note.— Part CTL-IV presents data on imports from Belgium and Germany for which countervailing and antidumping duties were collected between January 2000 and June 2006.

Source: *Certain Carbon Steel Products From Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, The Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom (Review) Inv. Nos. AA1921-197 and 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618*, USITC Publication 3364, November 2000, official Commerce import statistics, and data compiled from responses to Commission questionnaires.

## COMMERCE'S REVIEWS

### Administrative Reviews

The following tables present information on Commerce's administrative reviews of the subject orders.<sup>3 4</sup>

#### Belgium

Commerce completed only one antidumping duty administrative review of producers/exporters of subject merchandise. A review for the period August 1, 1996 through July 31, 1997 was terminated.<sup>5</sup> The results of the completed administrative review are presented in table CTL-I-2.

**Table CTL-I-2**

**CTL plate: Administrative review of the antidumping duty order for Belgium**

Date results published	Period of review	Producer or exporter	Margin
January 20, 1998 (63 FR 2959) <sup>1</sup>	8/01/1995 - 7/31/1996	Fafer (now Industeel)	12.96
		All others	6.75 <sup>2</sup>
<sup>1</sup> Results amended in accordance with final court decision affirming redetermination on May 17, 2002. 67 FR 35098. First amended results published on March 20, 1998. 63 FR 13261.			
<sup>2</sup> Rate from duty order.			
Source: Cited <i>Federal Register</i> notices.			

Commerce completed one countervailing duty administrative review of producers/exporters of subject merchandise. A review for December 7, 1992 to December 31, 1993 was terminated.<sup>6</sup> The results of the completed administrative review are presented in table CTL-I-3.

**Table CTL-I-3**

**CTL plate: Administrative review of the countervailing duty order for Belgium**

Date results published	Period of review	Producer or exporter	Margin
March 16, 1999 (64 FR 12982) <sup>1</sup>	1/01/1996 - 12/31/1996	Fafer	0.69
		All others	5.92
<sup>1</sup> Results amended on April 13, 1999. 64 FR 18001.			
Source: Cited <i>Federal Register</i> notices.			

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<sup>3</sup> There were no administrative reviews for firms covered by the antidumping duty orders or countervailing duty orders on CTL plate from Poland or Spain.

<sup>4</sup> For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

<sup>5</sup> 63 FR 10589, March 4, 1998.

<sup>6</sup> 59 FR 56056, November 10, 1994.



## Brazil

Commerce completed two administrative reviews of producers/exporters of subject merchandise. A review for the period August 1, 1996 through July 31, 1997 was initiated and then rescinded.<sup>7</sup> The results of the completed administrative reviews are presented in table CTL-I-4.

**Table CTL-I-4**

**CTL plate: Administrative reviews of the antidumping duty order for Brazil**

Date results published	Period of review	Producer or exporter	Margin
April 15, 1997 (62 FR 18486)	8/01/1994 - 7/31/1995	CST	0.0
		All others	75.54
March 16, 1998 (63 FR 12744) <sup>1</sup>	8/01/1995 - 7/31/1996	Cosipa	11.70
		Usiminas	11.70
		All others	36.00
<sup>1</sup> Results amended on April 27, 1998. 63 FR 20570.			
Source: Cited <i>Federal Register</i> notices.			

Commerce initiated and then terminated one countervailing duty administrative review of producers/exporters of subject merchandise for the period of January 1, 1995 to December 31, 1995.<sup>8</sup>

## Finland

Commerce completed three antidumping duty administrative reviews of producers/exporters of subject merchandise. A review for the period August 1, 1996 to July 31, 1997 was initiated and then rescinded.<sup>9</sup> The results of the completed administrative reviews are shown in table CTL-I-5.

**Table CTL-I-5**

**CTL plate: Administrative reviews of the antidumping duty order for Finland**

Date results published	Period of review	Producer or exporter	Margin
January 29, 1996 (61 FR 2792)	2/04/1993 - 7/31/1994	Rautaruukki	0.00
		All others	32.25
April 15, 1997 (62 FR 18468) <sup>1</sup>	8/01/1994 - 7/31/1995	Rautaruukki	30.70
		All others	32.80
January 20, 1998 (63 FR 2952)	8/01/1995 - 7/31/1996	Rautaruukki	0.0
		All others	40.36
<sup>1</sup> Results amended in accordance with final court decision on December 8, 1999. 64 FR 68669.			
Source: Cited <i>Federal Register</i> notices.			

<sup>7</sup> 63 FR 42000, August 6, 1998.

<sup>8</sup> 61 FR 64066, December 3, 1996.

<sup>9</sup> 63 FR 5501, February 3, 1998.

## Germany

Commerce completed four antidumping duty administrative reviews of producers/exporters of subject merchandise and published the preliminary results of a fifth administrative review, the results of which are shown in Table CTL-I-6. Reviews for the periods August 1, 1995 to July 31, 1996; August 1, 1996 to July 31, 1997; and August 1, 1999 to July 31, 2000 were initiated and then rescinded by Commerce.<sup>10</sup>

**Table CTL-I-6**

**CTL plate: Administrative reviews of the antidumping duty order for Germany**

Date results published	Period of review	Producer or exporter	Margin
March 28, 1996 (61 FR 13834) <sup>1</sup>	2/04/93 - 7/31/94	Dillinger	2.61
		All others	19.32
April 15, 1997 (62 FR 18389) <sup>2</sup>	8/01/1994 - 7/31/1995	Dillinger	0.16 <sup>3</sup>
		All others	36.00
January 16, 2001 (66 FR 3545)	8/01/1997 - 7/31/1998	Reiner Brach	36.00
		All others	36.00
January 16, 2001 (66 FR 3545)	8/01/1998 - 7/31/1999	Reiner Brach	36.00
		All others	36.00
September 11, 2006 (71 FR 53382) <sup>4</sup>	8/01/2004 - 7/31/2005	Dillinger	0.16 <sup>3</sup>
		All others	36.00

<sup>1</sup> Results amended on May 24, 1996. 61 FR 26159.

<sup>2</sup> Results amended on August 22, 2001. 66 FR 44114.

<sup>3</sup> De minimis margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.

<sup>4</sup> Preliminary results.

Source: Cited *Federal Register* notices.

Commerce revoked Germany's countervailing duty order in 2004.<sup>11</sup> Prior to the order's revocation, Commerce completed two countervailing duty administrative reviews of exporters/producers of subject merchandise. Commerce initiated and then rescinded one countervailing duty administrative review of subject merchandise from Germany for the period December 7, 1992 to December 31, 1993.<sup>12</sup> The results of the completed administrative reviews are shown in table CTL-I-7.

**Table CTL-I-7**

**CTL plate: Administrative reviews of the countervailing duty order for Germany**

Date results published	Period of review	Producer or exporter	Margin
January 17, 2001 (66 FR 3985)	1/01/1997 - 12/31/1997	Novosteel/Reiner Brach	0.00 <sup>1</sup>
		Co. KG	0.00 <sup>1</sup>
January 17, 2001 (66 FR 3985)	1/01/1998 - 12/31/1998	Novosteel/Reiner Brach	0.00 <sup>1</sup>
		Co. KG	0.00 <sup>1</sup>

<sup>1</sup> De minimis margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.

Source: Cited *Federal Register* notices.

<sup>10</sup> 62 FR 13595, March 21, 1997; 63 FR 4429, January 29, 1998; and 65 FR 66524, November 6, 2000.

<sup>11</sup> 69 FR 17131, April 1, 2004.

<sup>12</sup> 60 FR 4592, January 24, 1995.

## Mexico

Commerce completed three antidumping administrative reviews of exporters/producers of subject merchandise. Reviews for the periods August 1, 1995 to July 31, 1996, August 1, 1998 to July 31, 1999, August 1, 1999 to July 31, 2000, and August 1, 2001 to July 31, 2002 were initiated and then rescinded.<sup>13</sup> The results of the completed administrative reviews are shown in table CTL-I-8.

**Table CTL-I-8**

**CTL plate: Administrative reviews of the antidumping duty order for Mexico**

Date results published	Period of review	Producer or exporter	Margin
January 4, 1999 (64 FR 76)	8/01/1996 - 7/31/1997	AHMSA	49.25
		All others	49.25
February 18, 2000 (65 FR 8338) <sup>1</sup>	8/01/1997 - 7/31/1998	AHMSA	0.07 <sup>2</sup>
		All others	49.25
March 19, 2003 (68 FR 13260)	8/01/2000 - 7/31/2001	AHMSA	0.00
		All others	49.25

<sup>1</sup> Results amended in accordance with final court decision on February 20, 2003. 68 FR 8202. First amended results published on November 2, 2000. 65 FR 65830. Second amended results published on December 12, 2000, 65 FR 77566. Third amended final results published on January 24, 2001. 66 FR 7619.

<sup>2</sup> De minimis margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.

Source: Cited *Federal Register* notices.

Commerce completed three countervailing duty administrative reviews. Four reviews were initiated and then terminated for the periods of December 7, 1992 to December 31, 1993, January 1, 1994 to December 31, 1994, January 1, 1995 to December 31, 1995, and January 1, 1996 to December 31, 1996.<sup>14</sup> The results of the completed administrative reviews are shown in table CTL-I-9.

**Table CTL-I-9**

**CTL plate: Administrative reviews of the countervailing duty order for Mexico**

Date results published	Period of review	Producer or exporter	Margin
March 13, 2000 (65 FR 13368)	1/01/1997 - 12/31/1997	AHMSA	10.42
		All others	20.25
March 13, 2001 (66 FR 14549)	1/01/1998 - 12/31/1998	AHMSA	11.68
January 13, 2004 (69 FR 1972)	1/01/2001 - 12/31/2001	AHMSA	13.37
Source: Cited <i>Federal Register</i> notices.			

<sup>13</sup> 62 FR 26472, May 14, 1997; 65 FR 6359, February 9, 2000; 65 FR 64422, October 27, 2000; and 68 FR 19189, April 18, 2003, respectively.

<sup>14</sup> 59 FR 66939, December 28, 1994; 61 FR 2492, January 26, 1996; 61 FR 68239, December 27, 1996; and 62 FR 63920, December 3, 1997, respectively.

## Romania

Commerce completed four antidumping duty administrative review of subject merchandise from Romania and published preliminary results of a fifth administrative review. Commerce initiated and then rescinded reviews for the periods of August 1, 1999 to July 31, 2000 and August 1, 2000 to July 31, 2001.<sup>15</sup> The results of the administrative reviews are shown in table CTL-I-10.

**Table CTL-I-10**

**CTL plate: Administrative reviews of the antidumping duty order for Romania**

OVERLAP: Administrative Reviews of the Antidumping Duty Order for Romania

Date results published	Period of review	Producer or exporter	Margin
January 12, 2000 (65 FR 1847)	8/01/1997 - 7/31/1998	Windmill	21.07
		All others	75.04
January 12, 2001 (66 FR 2879)	8/01/1998 - 7/31/1999	MEI	0
		All others	75.04
March 15, 2005 (70 FR 12651) <sup>1</sup>	8/01/2002 - 7/31/2003	MEI	13.50
		Ispat Sidex	13.50
		All others	75.04
February 10, 2006 (71 FR 7008) <sup>2</sup>	8/01/2003 - 7/31/2004	MEI	75.04
		MS Galati	75.04
		All others	75.04
September 11, 2006 (71 FR 53377) <sup>3, 4</sup>	8/01/2004 - 7/31/2005	MS Galati	0.07 <sup>5</sup>
		All others	75.04

<sup>1</sup> CSR and MINMET included in initial review, but rescinded because did not ship subject merchandise to the United States during period of review.

<sup>2</sup> Metanef, MINMENT, CSR, and COST included in initial review, but rescinded.

<sup>3</sup> Preliminary results.

<sup>4</sup> MEI included in initial review, but rescinded.

<sup>5</sup> De minimis margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.

Source: Cited *Federal Register* notices.

## Sweden

Commerce completed four antidumping duty administrative reviews of subject merchandise. The results of the administrative reviews are shown in table CTL-I-11.

<sup>15</sup> 65 FR 69734, November 20, 2000, and 66 FR 56057, November 6, 2001.

**Table CTL-I-11**

**CTL plate: Administrative reviews of the antidumping duty order for Sweden**

Date results published	Period of review	Producer or exporter	Margin
February 12, 1996 (61 FR 5381)	12/7/1992 - 4/05/1993	All companies	2.98
	4/06/1993 - 8/19/1993	All companies	--
	8/17/1993 - 12/31/1993	All companies	2.98
April 9, 1996 (61 FR 15772) <sup>1</sup>	2/04/1993 - 7/31/1994	SSAB	7.25
		All others	24.23
April 15, 1997 (62 FR 18396)	8/01/1994 - 7/31/1995	SSAB	24.23
		All others	24.23
September 5, 1997 (62 FR 46947) <sup>2</sup>	8/01/1995 - 7/31/1996	SSAB	34.00
		All others	24.23
<sup>1</sup> Results amended on May 18, 1998. 63 FR 27260. <sup>2</sup> Commerce found duty absorption on all sales; see also results of preliminary determination, 62 FR 26473, May 14, 1993.			
Source: Cited <i>Federal Register</i> notices.			

Commerce completed four countervailing duty administrative reviews. A review for calendar year 1995 was terminated.<sup>16</sup> The results of the administrative reviews are shown in table CTL-I-12.

**Table CTL-I-12**

**CTL plate: Administrative reviews of the countervailing duty order for Sweden**

Date results published	Period of review	Producer or exporter	Margin
February 12, 1996 (61 FR 5378)	12/07/1992 - 4/05/1994	All companies	2.98
February 12, 1996 (61 FR 5378)	4/06/1993 - 8/19/1993	All companies	0.00
February 12, 1996 (61 FR 5381)	8/17/1993 - 12/31/1993	All companies	2.98
April 7, 1997 (62 FR 16549)	1/1/1994 - 12/31/1994	SSAB	1.91
		All companies	2.98
Source: Cited <i>Federal Register</i> notices.			

**Taiwan**

Commerce completed three antidumping duty administrative reviews of exporters/producers of subject merchandise. The results of the administrative reviews are shown in table CTL-I-13.

<sup>16</sup> 61 FR 64066, December 3, 1996.

**Table CTL-I-13****CTL plate: Administrative reviews of the antidumping duty order for Taiwan**

<b>Date results published</b>	<b>Period of review</b>	<b>Producer or exporter<sup>1</sup></b>	<b>Margin</b>
October 1, 1981 (46 FR 48280)	2/14/1979 - 5/31/1980	CSC	19.97
March 31, 1982 (47 FR 13547)	6/01/1980 - 5/31/1981	CSC	19.97
September 23, 1983 (48 FR 43366)	6/01/1981 - 5/31/1982	CSC	0.00
<sup>1</sup> CSC was the only known exporter to the United States.			
Source: Cited <i>Federal Register</i> notices.			

## United Kingdom

Commerce initiated and then rescinded antidumping duty administrative reviews for the periods of August 1, 1997 to July 31, 1998 and August 1, 1998 to July 31, 1999.<sup>17</sup> Commerce revoked the United Kingdom's countervailing duty order in 2006.<sup>18</sup> Prior to revocation, Commerce initiated no countervailing duty administrative reviews for the United Kingdom.

## Duty Absorption Findings

Commerce made two duty absorption findings in its antidumping administrative reviews. For the August 1, 1995 to July 31, 1996 review period for Belgium, Commerce found that Fafer (now Industeel) absorbed duties on 100 percent of its sales.<sup>19</sup> Additionally, for the August 1, 1995 to July 31, 1996 review period for Sweden, Commerce found that SSAB absorbed duties on 100 percent of its sales.<sup>20 21</sup>

## Results of Expedited and Full Five-Year Reviews

Commerce has issued final determinations with respect to all subject countries. Tables CTL-I-14 and CTL-I-15 present the margins calculated by Commerce in its original investigations, first reviews, and its recent second reviews.

<sup>17</sup> 63 FR 70388, December 21, 1998, and 65 FR 13714, March 14, 2000.

<sup>18</sup> 71 FR 58587, October 4, 2006.

<sup>19</sup> 63 FR 2959, June 20, 1998.

<sup>20</sup> 62 FR 46947, September 5, 1997.

<sup>21</sup> Caterpillar argues that the ITC cannot consider these duty absorption because the Federal Circuit has held that Commerce has no authority to conduct duty absorption inquiries with respect to transition orders. Caterpillar CTL plate respondent interested parties' prehearing brief, p. 11.

Table CTL-I-14

CTL plate: Commerce's original and five-year antidumping duty review margins for producers/exporters, by subject country

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)
<b>Belgium<sup>1</sup></b>			
Forges de Clabecq, S.A. <sup>2</sup>	6.78	6.78	6.78
Industeel (formerly Fafer)	13.31	27.50	13.31
All others	6.84	6.75	6.84
<b>Brazil<sup>3</sup></b>			
Usiminas/Cosipa <sup>4</sup>	( <sup>5</sup> )	42.08	42.68
Cosipa	109.00	( <sup>5</sup> )	( <sup>5</sup> )
Usiminas	42.08	( <sup>5</sup> )	( <sup>5</sup> )
All others	75.54	75.54	75.54
<b>Finland<sup>6</sup></b>			
Rautaruukki	32.80	40.36	40.36
All others	32.80	40.36	40.36
<b>Germany<sup>7</sup></b>			
Dillinger	36.00	36.00	36.00
All others	36.00	36.00	36.00
<b>Mexico<sup>8</sup></b>			
AHMSA	49.25	49.25	49.25
All others	49.25	49.25	49.25
<b>Poland<sup>9</sup></b>			
Country-wide	61.98	61.98	61.98
<b>Romania<sup>10</sup></b>			
Metalexportimport, S.A.	75.04	75.04	75.04
All others	75.04	75.04	75.04
<b>Spain<sup>11</sup></b>			
Ensidesa	105.61	105.61	105.61
All others	105.61	105.61	105.61

Table continued on next page.

Table CTL-I-14—Continued

CTL plate: Commerce's original and five-year antidumping duty review margins for producers/exporters, by subject country

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)
<b>Sweden<sup>12</sup></b>			
SSAB	24.23	24.23	24.23
All others	24.23	24.23	24.23
<b>Taiwan<sup>13</sup></b>			
CSC	34.00	34.00	34.00
All others	34.00	34.00	34.00
<b>United Kingdom<sup>14</sup></b>			
British Steel <sup>15</sup>	109.22	109.22	109.22
All others	109.22	109.22	109.22
<sup>1</sup> Amended final determination of sales at LTFV and antidumping duty order, 58 FR 44164, August 19, 1993; final results of first expedited sunset review, 65 FR 18292, April 7, 2000; final results of second expedited sunset review, 71 FR 11577, March 8, 2006. <sup>2</sup> Commerce has never conducted a changed circumstance review finding that Duferco is the successor-in-interest to Forges de Clabecq, S.A. As a result, Duferco is subject to the all others rate. 71 FR 11577, March 8, 2006. <sup>3</sup> Antidumping duty order, 58 FR 44164, August 19, 1993; final results of first expedited sunset review, 65 FR 18052, April 6, 2000; final results of second expedited sunset review, 71 FR 11577, March 8, 2006. <sup>4</sup> Commerce reported only one margin for Usiminas and Cosipa in their first and second sunset reviews because they had done so in the administrative review completed prior to the first sunset review. <sup>5</sup> Not applicable. <sup>6</sup> Amended final determination of sales at LTFV and antidumping duty order, 58 FR 44165, August 19, 1993; final results of first expedited sunset review, 65 FR 18054, April 6, 2000; final results of second expedited sunset review, 71 FR 11577, March 8, 2006. <sup>7</sup> Amended final determination of sales at LTFV and antidumping duty order, 58 FR 44170, August 19, 1993; final results of first expedited sunset review, 65 FR 18056, April 6, 2000; final results of second expedited sunset review, 71 FR 11577, March 8, 2006. <sup>8</sup> Antidumping duty order, 58 FR 44165, August 19, 1993; final results of first expedited sunset review, 65 FR 18052, April 6, 2000; final results of second expedited sunset review, 71 FR 11577, March 8, 2006. <sup>9</sup> Antidumping duty order, 58 FR 44166, August 19, 1993; final results of first expedited sunset review, 65 FR 18054, April 6, 2000; final results of second expedited sunset review, 71 FR 11577, March 8, 2006. <sup>10</sup> Antidumping duty order, 58 FR 44167, August 19, 1993; final results of first full sunset review, 65 FR 47382, August 2, 2000; final results of second expedited sunset review, 71 FR 11577, March 8, 2006. <sup>11</sup> Antidumping duty order, 58 FR 44167, August 19, 1993; final results of first expedited sunset review, 65 FR 18056, April 6, 2000; final results of second expedited sunset review, 71 FR 11577, March 8, 2006. <sup>12</sup> Antidumping duty order, 58 FR 44168, August 19, 1993; final results of first expedited sunset review, 65 FR 18054, April 6, 2000. <sup>13</sup> See "Notice of Withholding of Appraisal and Determination of Sales at Less Than Fair Value," 44 FR 9639, February 14, 1979, and Treasury Decision 79-166 as published in 44 FR 33877, June 13, 1979; final results of first expedited sunset review, 65 FR 18054, April 6, 2000; final results of second expedited sunset review, 71 FR 11577, March 8, 2006. <sup>14</sup> Antidumping duty order, 58 FR 44168, August 19, 1993; final results of first expedited sunset review, 65 FR 18056, April 6, 2000; final results of second expedited sunset review, 71 FR 11577, March 8, 2006. <sup>15</sup> Commerce has never conducted a changed circumstance review finding that Corus is the successor-in-interest to British Steel. As a result, Corus is subject to the all others rate. 71 FR 11577, March 8, 2006.			
Source: Cited <i>Federal Register</i> notices.			



**Table CTL-I-15**

**CTL plate: Commerce's original and five-year countervailing duty review margins for producers/exporters, by subject country**

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)
<b>Belgium<sup>1</sup></b>			
Cockerill	23.15	23.15	2.82
Industeel (formerly Fafer)	( <sup>2</sup> )	1.05	0.56
All others	5.92	5.92	0.50
<b>Brazil<sup>3</sup></b>			
Usiminas	5.44	5.44	5.44
Cosipa	48.64	48.64	48.64
All others	23.10	23.10	23.10
<b>Germany<sup>4, 5</sup></b>			
Ilseburg	0.80	0.80	( <sup>6</sup> )
Preussag	1.72	0.77	( <sup>6</sup> )
Thyssen	0.51	0.51	( <sup>6</sup> )
Country-wide (Dillinger)	14.84	14.84	( <sup>6</sup> )
<b>Mexico<sup>7</sup></b>			
AHMSA	( <sup>2</sup> )	25.87	28.32
All others	20.25	20.25	20.25
<b>Spain<sup>8</sup></b>			
Country-wide	36.82	36.86	33.68
<b>Sweden<sup>9</sup></b>			
Country-wide	4.27	4.27	<i>De minimis</i>
<b>United Kingdom<sup>10</sup></b>			
Glynwed Steels Ltd	0.73	23.15	( <sup>11</sup> )
All others	12.00	1.05	( <sup>11</sup> )

<sup>1</sup> Original countervailing duty order, 58 FR 43749, August 17, 1993; amended countervailing duty order, 62 FR 37880, July 15, 1997; final results of first expedited sunset review, 65 FR 18066, April 6, 2000; final results of second full sunset review, 71 FR 58585, October 4, 2006.

<sup>2</sup> No rate specified

<sup>3</sup> Countervailing duty order, 58 FR 43751, August 17, 1993; final results of first expedited sunset review, 65 FR 18065, April 6, 2000; final results of second expedited sunset review, 71 FR 32522, June 6, 2006.

<sup>4</sup> Countervailing duty order, 58 FR 43756, August 17, 1993; final results of first full sunset review, 65 FR 47407, August 2, 2000.

<sup>5</sup> Commerce stated that "Although Salzgitter is a successor-in-interest for both Ilseburg and Preussag, without an appropriate review, we cannot discern the appropriate rate for the successor. Therefore, for Ilseburg and Preussag, we are reporting the rates for the original investigation, as adjusted. The country-wide rate applies to Dillinger, and TKS (Thyssen Krupp Stahl AG) is the successor-in-interests of Thyssen." 65 FR 47409, August 2, 2000.

<sup>6</sup> Commerce revoked the countervailing duty order against CTL plate from Germany in 2004. 69 FR 17131, April 1, 2004.

<sup>7</sup> Countervailing duty order, 58 FR 43755, August 17, 1993; final results of first expedited sunset review, 65 FR 18067, April 6, 2000; final results of second expedited sunset review, 71 FR 32521, June 6, 2006.

<sup>8</sup> Countervailing duty order, 58 FR 43761, August 17, 1993; final results of first expedited sunset review, 65 FR 18307, April 7, 2000; final results of second expedited sunset review, 71 FR 32523, June 6, 2006.

<sup>9</sup> Countervailing duty order, 58 FR 43758, August 17, 1993; final results of first expedited sunset review, 65 FR 18307, April 7, 2000; final results of second full sunset review, 71 FR 58587, October 4, 2006.

<sup>10</sup> Countervailing duty order, 58 FR 43748, August 17, 1993; final results of first expedited sunset review, 65 FR 18309, April 7, 2000.

<sup>11</sup> Commerce revoked the countervailing duty order against CTL plate from the United Kingdom in 2006. 71 FR 58587, October 4, 2006.

Source: Cited *Federal Register* notices.

## DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

The Continued Dumping and Subsidy Offset Act of 2000 ("CDSOA") (also known as the Byrd Amendment) provides that assessed duties received pursuant to antidumping or countervailing duty orders must be distributed to affected domestic producers for certain qualifying expenditures that these producers incur after the issuance of such orders.<sup>22</sup> During the review period, qualified U.S. producers of CTL plate were eligible to receive disbursements from the U.S. Customs and Border Protection ("Customs") under CDSOA relating to 7 countervailing duty and 12 antidumping duty orders on the subject product beginning in Federal fiscal year 2001.<sup>23</sup> Tables CTL-I-16 and CTL-I-17 present CDSOA disbursements and claims for Federal fiscal years (October 1-September 30) 2001-05 by source and by firm, respectively.

**Table CTL-I-16**

**CTL plate: CDSOA disbursements, by source, Federal fiscal years 2001-05**

Item	Federal fiscal year				
	2001	2002	2003	2004	2005
<b>Disbursements (1,000 dollars)</b>					
Belgium (AD)	275	100	(290)	778	6
Belgium (CVD)	0	85	0	669	0
Brazil (AD)	162	2	22	20	( <sup>1</sup> )
Brazil (CVD)	0	6	0	12	1
Canada <sup>2</sup>	196	110	32	260	5
Finland	0	0	( <sup>1</sup> )	1	( <sup>1</sup> )
Germany (AD)	2	1	55	175	14
Germany (CVD) <sup>2</sup>	0	4	42	66	24
Mexico (AD)	15	( <sup>1</sup> )	0	115	10
Mexico (CVD)	0	( <sup>1</sup> )	0	58	4
Poland	0	2	6	0	( <sup>1</sup> )
Romania	0	0	4	50	285
Spain (AD)	0	0	0	0	0
Spain (CVD)	0	0	0	0	0
Sweden (AD)	0	( <sup>1</sup> )	7	198	11
Sweden (CVD)	0	2	0	30	2
Taiwan (AD)	0	0	0	0	( <sup>1</sup> )
United Kingdom (AD)	228	0	(12)	42	0
United Kingdom (CVD) <sup>2</sup>	0	0	0	2	0
<b>Total</b>	<b>878</b>	<b>313</b>	<b>(134)</b>	<b>2,477</b>	<b>363</b>
<sup>1</sup> Less than \$500. <sup>2</sup> Order revoked.					
Note.--Negative disbursement amounts are the result of refunds to importers as a result of liquidations or court cases. Because of rounding, figures may not add to the totals shown.					
Source: U.S. Customs and Border Protection's CDSOA <i>Annual Reports</i> . Retrieved from <a href="http://www.cbp.gov/xp/cgov/import/add_cvd">www.cbp.gov/xp/cgov/import/add_cvd</a> .					

<sup>22</sup> Section 754 of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)).

<sup>23</sup> 19 CFR 159.64 (g).

Table CTL-I-17

CTL plate: CDSOA disbursements and claims, by firm, Federal fiscal years 2001-05

Item	Federal fiscal year				
	2001	2002	2003	2004	2005
<b>Disbursements (1,000 dollars)</b>					
Bethlehem Steel	491	0	0	0	0
Bethlehem Steel aka Pennsylvania Steel	0	178	0	0	0
Bethlehem Steel aka Pennsylvania Steel (successor to Lukens Steel)	0	34	0	0	0
California Steel Industries	0	0	1	16	2
Geneva Steel	78	0	0	0	0
International Steel Group	0	0	113	1,558	0
Lukens Steel (Bethlehem aka Pennsylvania Steel)	105	0	0	0	0
Mittal Steel USA ISG Inc.	0	0	0	0	245
National Steel	8	3	0	0	0
Thompson Steel Co. Inc.	0	0	0	88	0
U.S. Steel	196	97	0	0	0
United States Steel Corp. <sup>1</sup>	0	0	(49)	816	115
United Steelworkers of America	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	
Total <sup>2</sup>	878	313	(134) <sup>3</sup>	2,477	363
<b>Claims (1,000 dollars)</b>					
Total	175,620,995	203,084,133	92,583,063	224,590,940	303,833,079
<sup>1</sup> United States Steel Corp. became the successor to National Steel and U.S. Steel after 2003. <sup>2</sup> Less than \$500. <sup>3</sup> Figures do not add up to total because some of the negative payments were by companies that did not file a claim in 2003 (Staff telephone interview with ***, July 18, 2006).  Note.--Negative disbursement amounts are the result of refunds to importers as a result of liquidations or court cases. Because of rounding, figures may not add to the totals shown.  Source: U.S. Customs and Border Protection's CDSOA <i>Annual Reports</i> . Retrieved from <a href="http://www.cbp.gov/xp/cgov/import/add_cvd">www.cbp.gov/xp/cgov/import/add_cvd</a> .					

## THE SUBJECT MERCHANDISE

### Commerce's Scope

The scope definition for the imported product subject to the countervailing duty and antidumping duty orders under review, as defined by Commerce, is as follows:

Hot-rolled carbon steel universal mill plates (i.e., flat-rolled products rolled on four faces or in a carbon steel cut-to-length plate ("cut-to-length plate") closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances. Certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which

exceeds 150 millimeters and measures at least twice the thickness. Included in these orders are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (i.e., products which have been “worked after rolling”)--for example, products which have been beveled or rounded at the edges. Additionally, as a result of a scope ruling, profile slabs have been determined to be within the scope of the order.<sup>24</sup>

Excluded from these reviews is grade X-70 plate and micro-alloy steel.

#### **With Respect to Subject Merchandise from Belgium:**

As a result of a decision by the Court of International Trade, excluded from the scope of the antidumping duty order of cut-to-length plate from Belgium is cut-to-length floor plate imported by Duferco Steel, Inc. “with patterns in relief derived directly from the rolling process.”<sup>25</sup>

#### **With Respect to Subject Merchandise from Finland, Germany, and the United Kingdom:**

As a result of a changed circumstance review, the order was revoked with respect to certain carbon cut-to-length steel plate with a maximum thickness of 80mm in steel grades BS 7191, 355 EM and 355 EMZ, as amended by Sable Offshore Energy Project Specification XB MOO Y 15 0001, types 1 and 2.<sup>26</sup>

#### **With Respect to Subject Merchandise from Taiwan:**

The scope with respect to subject merchandise from Taiwan includes all hot-rolled carbon steel plate, 0.1875 inch or more in thickness, over eight inches in width, not in coils, not pickled, not coated, or plated with metal, not clad, other than black plate, and not pressed or stamped to non-rectangular shape.

### **Tariff Treatment**

The subject merchandise is imported under the following HTS statistical reporting numbers: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. General U.S. tariffs on CTL plate, applicable to U.S. imports that are products of the subject countries other than Canada and classified under these headings, ranged from 2.4 to 6.5 percent *ad valorem* at the time of the original investigations. These duties were subject to phased elimination beginning in 1995 and were eliminated as of January 1, 2004. Duties on eligible goods of Canada under the U.S.-Canada Free Trade Agreement ranged from 1.2 to 3.2 percent *ad valorem* at the time of the original investigations, were subject to phased elimination, and were eliminated as of January 1, 1998. Further details regarding the relevant HTS statistical reporting numbers are

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<sup>24</sup> 62 FR 30569, June 4, 1997.

<sup>25</sup> United States Court of International Trade, Judgement Order in *Duferco Steel, Inc. V. United States, et al.*, No. 01-1443, October 12, 2002.  
[http://www.cit.uscourts.gov/slip\\_op/Slip\\_op02/SlipOp02-125.pdf#search=%22court%20of%20international%20trade%2001-1443%22](http://www.cit.uscourts.gov/slip_op/Slip_op02/SlipOp02-125.pdf#search=%22court%20of%20international%20trade%2001-1443%22), retrieved September 12, 2006.

<sup>26</sup> *Certain Cut-to-Length Carbon Steel Plate from Finland, Germany, and United Kingdom: Final Results of Changed Circumstances Antidumping Duty and Countervailing Duty Reviews, and Revocation of Orders in Part*, 64 FR 46343, August 25, 1999.

presented in appendix D. The column 1-general, or normal trade relations, rates of duty for plate were eliminated as of January 1, 2004 as a result of the Uruguay Round Agreements. Further details regarding the relevant HTS statistical reporting numbers are presented in appendix D.

## **THE DOMESTIC LIKE PRODUCT**

### **Description and Applications**

Steel plate is a flat-rolled steel product that is generally 4.75 millimeters or more in thickness. It can be produced in a variety of widths, thicknesses, and shapes in order to be incorporated into other products or to be further processed into products. The term “cut-to-length” indicates that the product is produced as a flat plate with a defined length.

Plate is used in welded load-bearing and structural applications, such as agricultural and construction equipment (e.g., cranes, bulldozers, scrapers, and other tracked or self-propelled machinery); bridges; machine parts (e.g., the body of the machine or its frame); transmission towers and light poles; buildings; and heavy transportation equipment, such as railroad cars (especially tank cars) and ships. Plate also is used in the production of tanks, sills, floors, offshore drilling rigs, pipes, petrochemical plant and machinery, and various other fabricated pieces. Plate can also be used in utility applications, such as wind towers and pressure vessels.

### **Manufacturing Processes<sup>27</sup>**

In general, there are three processing distinct stages for hot-rolled nonalloy steel products, including: (1) melting or refining steel, (2) casting steel into semi-finished forms, and (3) hot rolling semi-finished forms into flat-rolled hot-rolled steel mill products. These processing stages are summarized below.

#### **Melt Stage**

Steel is produced by either the integrated or the nonintegrated process.<sup>28</sup> In the nonintegrated process, molten steel is produced by melting scrap and primary iron products (such as pig iron or direct-reduced iron) in an electric arc furnace. In the integrated process, iron ore is smelted in a blast furnace with coke to produce molten iron, which is subsequently poured into a steelmaking furnace, generally a basic oxygen furnace, together with a small amount of scrap metal. The molten metal is processed into steel by blowing oxygen into the furnace.

Whether produced by the integrated or nonintegrated process, molten steel is poured or “tapped” from the furnace into a ladle to be transported to casting. It is common for steelmakers to utilize a secondary steelmaking stage (the ladle metallurgy station) to refine the product further into extra-clean or low-carbon steels satisfying stringent surface or internal requirements or microcleanliness quality and mechanical properties before casting. Steelmakers may adjust the chemical content by adding alloying elements, lowering the carbon content (decarburization), or adjusting the temperature of the molten steel for optimum casting. The essential physical properties of the steel are established in the melt stage.

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<sup>27</sup> Wide flat bar, a subset of universal mill plate, is produced in a bar mill. In this type of mill, blooms and billets (rather than slabs) are rolled on all faces at the same time into a long bar shape. The production process is otherwise similar to the process described in this section.

<sup>28</sup> U.S. Steel, *The Making, Shaping, and Treating of Steel* (William T. Lankford, Jr. et al., eds., 1985), p. 24, and International Iron and Steel Institute, “About Steel,” <http://www.worldsteel.org>, retrieved August 30, 2005.

## **Casting Stage**

Following the melt stage, the molten steel is cast into a form suitable for the rolling process. Two principal methods of casting are used, ingot teeming and continuous casting. Continuous slab casting is the preferred, lower-cost method and is normally used to produce plates up to approximately 4 inches in thickness. Ingots are used to produce thicker plates, since continuous cast slabs of sufficient thickness are not available.

## **Rolling Stage**

Most CTL plate is hot-rolled on a reversing plate mill (also called a sheared plate mill) consisting of one or two reversing hot-rolling mill stands and associated equipment. If there are two stands, the first is called the roughing mill and the second is called the finishing mill. The roughing mill is equipped with special tables in front of and behind the mill to rotate the plate one-quarter turn between rolling passes in order to allow cross-rolling, increasing the width rather than the length of the plate as the thickness is reduced. After the desired finished width is reached, the plate is again rotated one-quarter turn and rolled straightaway to finished thickness. Reversing mills produce plate ranging from 0.187 to 20 inches (4.75 to 508 mm) in thickness and from 48 to 154 inches (1,219 to 3,912 mm) in width.

Some reversing plate mills (known as “Steckel mills”) are equipped with coilers on each side of the finishing mill that operate inside small heating furnaces, keeping the steel hot and allowing the production of much longer or thinner plates. Plate also can be rolled on a Steckel mill without using the heated coilers, in which case the mill operates like a conventional reversing plate mill. Steckel mills are equipped with coilers to produce coiled plate as well as in-line shearing facilities to produce discrete plate. Plate cut from hot-rolled coils is processed on a separate line where it is uncoiled, flattened, and cut to length. Plate produced in a Steckel mill typically ranges from 0.187 to 0.750 inches (4.75 to 19.1 mm) in thickness and 48 to 96 inches (1,219 to 2,438 mm) in width, although installed equipment can produce wider plate.

In addition to reversing plate mills, plate may also be rolled on a continuous hot-strip mill. Such a mill has either a reversing rougher or a number (usually 4 or 5) of nonreversing roughing mills followed by a finishing section comprised of a series of mill stands, usually six, spaced close together so that a plate is rolled continuously in a single pass in one direction. The finished plate is coiled, discharged from the mill, allowed to cool, then uncoiled, flattened, and cut to length on a separate processing line. Although continuous hot-strip mills primarily produce hot-rolled sheet, they also may be used to produce plate up to 72 inches wide and between three-sixteenths and one-half inch in thickness.

Because of its capability to cross roll, a reversing mill is somewhat flexible with regard to the slab width used to produce a given plate width. Steckel mills and continuous hot-strip mills can only use slabs slightly wider than the width of the plate to be produced, but have the advantage of being able to roll longer, heavier slabs than could be used on a reversing plate mill. Because of its generally thicker dimensions, plate from a reversing mill is preferred for welded load-bearing and structural applications, such as bridgework; machine parts (e.g., the body of the machine or its frame); transmission towers and light poles; buildings; mobile equipment (e.g., cranes, bulldozers, scrapers, and other tracked or self-propelled machinery); and heavy transportation equipment, such as railroad cars (especially tanker cars) and oceangoing ships. End users concerned about “coil set memory” (such as those that burn out parts from plate) may prefer plate from a reversing mill because the edges of plate cut from coils may curl on heating.

Most CTL plate is smooth on both sides, since by definition the product excludes plate with patterns in relief if produced on a universal mill.<sup>29</sup> “Patterns in relief” are used primarily in floor plate, which has a non-skid pattern of raised figures at regular intervals on one surface of the plate. Floor plate, however, can be produced on other mills, with patterns in relief derived directly from rolling. Such plate is produced primarily by continuous hot-strip mills by placing an embossed roll in the final stand of the continuous mill. It can also be produced on a Steckel mill by holding the hot plate on one of the Steckel furnaces at the mill after completing all but the final rolling pass. One roll is then changed, and the final rolling pass completed. Using this method, the roll would be changed again to roll the next plate.<sup>30</sup>

## Marketing

Steel service centers traditionally have served as distributors of plate, but typically do not have plate mills. In addition to marketing, some service centers also perform a wide range of value-added processing of steel products, such as uncoiling, flattening, and cutting plate products to length or flame/plasma cutting plate into nonrectangular shapes. Service centers that process coiled plate into cut lengths or nonrectangular shapes may purchase the coiled plate from U.S. or foreign mills. The process of producing CTL plate from coiled plate is the same whether performed at a steel mill or by a service center. CTL plate can also be sold directly to end users. Table CTL-I-18 presents data on U.S. producers’ and importers’ shipments of CTL plate by channel of distribution.

**Table CTL-I-18**

**CTL plate: U.S. producers’ and U.S. importers’ channels of distribution, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Share (percent)</b>								
Share of U.S. shipments--								
To distributors	55.2	51.2	54.1	54.0	57.2	54.4	56.3	54.9
To end users	44.8	48.8	45.9	46.0	42.8	45.6	43.7	45.1
Share of U.S. importers’ U.S. shipments--								
To distributors	67.0	61.8	54.6	66.1	74.4	73.7	78.0	76.3
To end users	33.0	38.2	45.4	33.9	25.6	26.3	22.0	23.7
Source: Compiled from data submitted in response to Commission questionnaires.								

<sup>29</sup> A universal mill is a mill capable of simultaneously rolling between both horizontal and vertical rolls. Universal mill plate is defined in HTSUS Chapter 72 Additional U.S. Note 1(b) as follows: Flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1,250 mm and of thickness of not less than 4 mm, not in coils without patterns in relief.

<sup>30</sup> As a result of a decision by the Court of International Trade, cut-to-length floor plate from Belgium imported by Duferco Steel, Inc. is excluded from the scope of these reviews. United States Court of International Trade, Judgement Order in Duferco Steel, Inc. v. United States, et al., No. 01-1443, October 12, 2002, [http://www.cit.uscourts.gov/slip\\_op/Slip\\_op02/SlipOp02-125.pdf#search=%22court%20of%20international%20trade%2001-1443%22](http://www.cit.uscourts.gov/slip_op/Slip_op02/SlipOp02-125.pdf#search=%22court%20of%20international%20trade%2001-1443%22), retrieved September 12, 2006.

## DOMESTIC LIKE PRODUCT ISSUES CONCERNING WIDE FLAT BAR<sup>31</sup>

### Physical Characteristics and Uses

Wide flat bar is a hot-rolled carbon steel product made in various lengths and widths, usually starting at 1/8 inch in thickness. It is often used in structural applications, such as bridges, and trailers.

According to questionnaire respondents, wide flat bar and CTL plate have similar characteristics and uses. However, flat bar is much narrower than CTL plate, enabling it to be used more easily in applications where narrow widths are needed,<sup>32</sup> such as machine parts.<sup>33</sup> Wide flat bar has a superior surface finish, dimensional precision, and precise edges, as it is rolled on a bar mill rather than being cut-to-length.<sup>34</sup> Wide flat bar is rolled along both the width and thickness dimensions, while CTL plate is only rolled along the width.<sup>35</sup> The cutting operation used for CTL plate makes the edges unsuitable for

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<sup>31</sup> In the preliminary phase of the 1992-93 original investigations, the Commission considered whether universal mill ("UM") plate and certain flat bars (carbon steel bars between 150 mm (5.9 inches) and 250 mm (approximately 10 inches) wide and 38.1 mm (1.5 inches) thick) constituted separate domestic like products. On the basis of similar applications for UM plate and sheared plate, and sufficient overlap of competition between certain flat bars and sheared plate, the Commission declined to find either certain flat bars or UM plate to be separate domestic like products. USITC Publication 2549, August 1992, pp. 26-27. In the final phase of the original investigations, the Commission considered whether UM plate was a separate domestic like product from the bulk of CTL plate but did not revisit the issue of certain flat bars. On the basis of the similar physical characteristics, distribution, and end uses of sheared plate and UM plate, and notwithstanding differences in manufacturing facilities and price, the Commission again concluded that UM plate was not a separate domestic like product. USITC Publication 2664, August 1993, p. 214. The Commission did not revisit either issue in the first reviews.

In these second reviews, UK respondent interested parties Spartan, Celsa Steel, and Niagara have argued that the Commission should consider separately wide flat bars and other forms of plate covered under the broader product category of CTL plate. Spartan and Celsa Steel's prehearing brief, p. 4, and Niagara's prehearing brief, p. 13. Corus stated that it does not argue that wide flat bar should be a separate like product but does observe that there is only highly attenuated competition between wide flat bar products and CTL plate. Corus' posthearing brief, answers to Commissioners' questions, pp. 3-4. On the like product question, Brazilian producers deferred to the arguments of other respondents with an interest in bar. Brazilian respondent interested parties' posthearing brief, p. 1. Duferco Clabecq and the German producers both took no position on the issue in their posthearing briefs. Duferco's posthearing brief, responses to the questions of the Commission, p. 8, and German respondent interested parties' posthearing brief, app. 1, p. 5. IPSCO, Oregon Steel, and Mittal supported the definition of domestic like product applied in the original investigations, which includes flat bar. IPSCO and Oregon Steel's posthearing brief, p. A-20, and Mittal's posthearing brief, Commissioner Hillman's questions, p. 18. Nucor took no position but noted that CTL plate and wide flat bar cannot be produced using the same facilities. They also noted that wide flat bar may be used for some of the same purposes as CTL plate and has similar physical characteristics but that it is normally sold as bar rather than plate. Nucor's posthearing brief, exh. 9, p. 1.

Data permitting evaluation of the resulting industries based on a distinction between wide flat bar and other forms of CTL plate appear in appendix C of this report.

<sup>32</sup> \*\*\* importer questionnaire response, section II-8-a.

<sup>33</sup> \*\*\* producer questionnaire response, section V-2-a.

<sup>34</sup> \*\*\* purchaser and foreign producer questionnaire responses, sections V-1-a and IV-2-a.

<sup>35</sup> \*\*\* producer questionnaire response, section V-2-a.



cold-drawing.<sup>36</sup> Flat bar can be cold-drawn,<sup>37</sup> and also can be produced with rounded or beveled edges for specific applications such as off-highway wheels and earthmover wearparts.<sup>38</sup>

### Interchangeability

Interchangeability between flat bar and CTL plate depends on the specific customer end use. For example, if the edge quality is critical, customers may prefer flat bar.<sup>39</sup> The size and thickness of the material needed for the final application is also an important consideration.<sup>40</sup>

### Channels of Distribution

Wide flat bar and other forms of CTL plate are sold either to service centers or directly to end users. Wide flat bar, however, is sold in greater proportion to end users, while the opposite is true for CTL plate generally. Table CTL-I-19 presents data on U.S. producers' shipments of wide flat bar by channel of distribution.

**Table CTL-I-19**

**Wide flat bar: U.S. producers' channels of distribution, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
Share (percent)								
Shipments to distributors	32.9	36.5	37.1	37.2	40.7	41.3	44.6	40.7
Shipments to end users	67.1	63.5	62.9	62.8	59.3	58.7	55.4	59.3
Source: Compiled from data submitted in response to Commission questionnaires.								

### Common Manufacturing Facilities, Employees, and Processes

Of the six mills that produce wide flat bar, Nucor and Mittal produce other forms of CTL plate. Although the melting processes are the same and both products are hot-rolled, flat bar is produced either with vertical and horizontal rolls to produce the desired width and thickness dimensions or in a closed box pass. CTL plate is rolled with horizontal rolls only.<sup>41</sup> Neither the employees nor the equipment are generally interchangeable.<sup>42</sup>

<sup>36</sup> Alternative processes, such as machining, milling, and grinding on all sides can be used. \*\*\* foreign producer questionnaire response, section IV-2-a.

<sup>37</sup> \*\*\* producer questionnaire response, section V-2-a.

<sup>38</sup> \*\*\* foreign producer questionnaire response, section IV-2-a.

<sup>39</sup> \*\*\* producer questionnaire response, section V-2-b; and \*\*\* foreign producer questionnaire response, section IV-2-b.

<sup>40</sup> \*\*\* producer questionnaire response, section V-2-b.

<sup>41</sup> \*\*\* producer questionnaire response, section V-2-c.

<sup>42</sup> \*\*\* producer questionnaire response, section V-2-c.

## **Producer and Consumer Perceptions**

As noted above, responding U.S. producers generally perceived wide flat bar to be interchangeable with CTL plate produced on plate mills or cut from coil. Similarly, responding producers generally reported that their customers perceived little or no substantial difference between wide flat bar and CTL plate produced on plate mills or cut from coil, despite the superior edge quality, cold drawing capability, and tighter tolerances characteristic of wide flat bar. Customers' responses were more varied. While several U.S. purchasers reported general interchangeability or only limited differences, several other responding purchasers view plate and wide flat bar as "not interchangeable" or "not compatible," citing dimensional differences and the ability to cold draw wide flat bar.<sup>43</sup>

## **Price**

Although it has been noted that prices of both CTL plate produced on plate mills or cut from coil and wide flat bar follow similar trends,<sup>44</sup> it is unclear from questionnaire responses which product is priced higher. Both U.S. producer and U.S. purchaser responses were divided between reporting no price (or price trend) differential (two producers and two purchasers); lower prices for wide flat bar (one producer and four purchasers); and higher prices for wide flat bar (one producer and one purchaser).<sup>45</sup> The average unit value of shipments of wide flat bar was \$398.89 in 2000; it increased to \$567.11 in 2004, and has remained above that unit value through 2005-June 2006. In general, the average unit values of wide flat bar were lower than the average unit values of CTL plate.<sup>46</sup>

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<sup>43</sup> See generally U.S. producers' questionnaire responses, section V-2-e, and U.S. purchasers' questionnaire responses, section V-1-d, summarized in appendix F.

<sup>44</sup> \*\*\* producer questionnaire response, section V-2-f.

<sup>45</sup> The wide variety of responses by market participants may reflect differences in the type of wide flat bar under consideration, consistent with the distinctions drawn by Niagara LaSalle between its special bar quality ("SBQ") wide flat bar and lower value "merchant" wide flat bar. Niagara LaSalle's prehearing brief, p. 9 nn. 8-9.

<sup>46</sup> Compare tables C-1 and C-5.

## DOMESTIC LIKE PRODUCT ISSUES CONCERNING MICRO-ALLOY CTL PLATE<sup>47</sup>

### Physical Characteristics and Uses

The HTSUS differentiates between three categories of steel: stainless steel, “other alloy steel,” and “non-alloy steel.” Steel that is not stainless steel but that contains one or more alloying elements in an amount that exceeds a specified limit is defined as “other alloy steel.” Steel that is not stainless steel or other alloy steel is referred to as “non-alloy steel.”<sup>48</sup> The scope of these reviews includes only steel that is classified as “non-alloy” under the HTSUS, whereas a commonly used industry term “carbon steel” arguably includes some steel that must be classified under the HTSUS as alloy steel. In particular, the use of small amounts of such alloying elements as columbium, vanadium, and titanium to produce a class of steels known as high-strength, low-alloy (HSLA) steels is common, and these steel compositions are often considered within the industry to be carbon steel, regardless of whether the amounts of the alloying elements are sufficient to require that the steel be classified as alloy steel under the HTSUS definitions.<sup>49</sup> For purposes of these reviews, this report uses the term “micro-alloy” in a narrow sense to refer to steel that contains one or more alloying elements in an amount that falls within the range specified in the tabulation below, and none of the elements in a quantity greater than that indicated. The definition for micro-alloy used in these reviews was based on the requirements specified in the most recent five-year reviews covering CTL plate.<sup>50</sup>

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<sup>47</sup> In the original investigations, the Commission did not consider the issue of whether to expand the domestic like product beyond carbon (non-alloy) steel. Although such an expansion was advocated belatedly by domestic producers in the first reviews, the Commission concluded that there was insufficient record evidence to support modification of the domestic like product. USITC Publication 3364, November 2000, pp. 6-7.

No party initially advocated expansion of the domestic like product to include micro-alloy steel in these second reviews. Nonetheless, the Commission has considered micro-alloy steel to be part of the domestic like product (consistent with Commerce’s scope) in original investigations on plate, hot-rolled steel, and cold-rolled steel, and expanded the domestic like product to include micro-alloy steel in the 2003 five-year review *Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Invs. Nos. 731-TA-753-756 (Review)*. Accordingly, the Commission opted to collect data on micro-alloy steel. Data permitting evaluation of the resulting broader industries based on the inclusion of micro-alloy steel appear in appendix C of this report.

In their posthearing briefs, Nucor, Mittal, IPSCO, and Oregon Steel all support the Commission’s original definition of the domestic like product, which excludes micro-alloy plate. However, while Mittal, IPSCO, and Oregon Steel state that they do not believe the inclusion of micro-alloy plate would affect the Commission’s analysis, Nucor expressly states its opposition to any such inclusion. Nucor’s posthearing brief, exh. 9, p. 2; Mittal’s posthearing brief, Commissioner Lane’s questions, p. 8; IPSCO and Oregon Steel’s posthearing brief, p. A-20. Further, in their posthearing brief, the Brazilian producers take no position on the definition of the domestic like product, but do note their belief that inclusion of micro-alloy steel would not affect the outcome of the case. Brazilian respondent interested parties’ posthearing brief, p. 2.

<sup>48</sup> The HTSUS does not mention “carbon steel”; rather, it provides a definition of “other alloy steel” as steel, other than stainless steel, containing more than a specified amount of at least one of several elements. Steel that is not stainless steel or other alloy steel is referred to as “non-alloy steel.” HTSUS, Chapter 72 Note 1(f).

<sup>49</sup> Lankford, William T., Jr., Ed., *The Making, Shaping and Treating of Steel*, Tenth Edition, p. 1313.

<sup>50</sup> *Cut-To-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Invs. Nos. 701-TA-388-391 and 731-TA-816-821 (Review)*, USITC Publication 3816, November 2005.

Element	Percent by weight		
	Non-alloy steel	Micro-alloy steel	
	<i>less than</i>	<i>not less than</i>	<i>not more than</i>
Aluminum	0.3	0.3	0.50
Boron	0.0008	—	—
Chromium	0.3	0.3	1.25
Cobalt	0.3	—	—
Copper	0.4	0.4	1.00
Lead	0.4	—	—
Manganese	1.65	1.65	1.80
Molybdenum	0.08	0.08	0.10
Nickel	0.3	0.3	1.25
Niobium	0.06	0.06	0.10
Silicon	0.6	0.6	1.50
Titanium	0.05	0.05	0.41
Tungsten	0.3	—	—
Vanadium	0.1	0.1	0.15
Zirconium	0.05	0.05	0.15
Other elements, except sulfur, phosphorus, carbon, and nitrogen	0.1	—	—

Most questionnaire respondents agree that there are only moderate differences in physical characteristics and uses among carbon and micro-alloy CTL plate. When compared to carbon grade CTL plate, micro-alloy steel plates generally have higher strength and toughness characteristics.<sup>51</sup> Because of these characteristics, micro-alloy CTL plate typically is used for applications such as construction and earth-moving/mining equipment, rail cars, line pipe, poles and towers, armored vehicles, and machine parts and bridges.<sup>52 53</sup>

### Interchangeability

Carbon and micro-alloy plate are sometimes interchangeable, depending on end use. Micro-alloy steels are good substitutes where increased strength is required along with less weight.<sup>54</sup> The increased strength levels achieved by the alloy additions enable the thickness of the plate to be reduced, creating a lighter product.<sup>55</sup> However, the higher strength of micro-alloy plate may exceed design criteria<sup>56</sup> and certain alloys may be restricted by customers.<sup>57</sup> Also, the higher cost of micro-alloy plate may exceed the budgets of some customers.<sup>58</sup>

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<sup>51</sup> \*\*\* producer questionnaire responses, section VI-2-a.

<sup>52</sup> \*\*\* producer questionnaire response, section VI-2-a.

<sup>53</sup> In contrast, certain alloy grades of steel are used when high hardenability is needed, such as in the tool and die industry. \*\*\* producer questionnaire response, section VI-2-a.

<sup>54</sup> \*\*\* producer questionnaire response, section VI-2-b.

<sup>55</sup> \*\*\* producer questionnaire response, section VI-2-b.

<sup>56</sup> \*\*\* producer questionnaire response, section VI-2-b.

<sup>57</sup> \*\*\* producer questionnaire response, section VI-2-b.

<sup>58</sup> \*\*\* producer questionnaire response, section VI-2-b.

## Channels of Distribution

Both carbon and micro-alloy plate are sold through service centers and directly to end users, primarily original equipment manufacturers (OEMs). However, carbon plate typically is purchased in standard grades for inventory, while micro-alloy plate tends to be purchased for specific jobs or by OEMs,<sup>59</sup> a tendency that is reflected in the greater share of sales to end users. Table CTL-I-20 presents data on U.S. shipments of micro-alloy steel CTL plate by channel of distribution.

**Table CTL-I-20**

**Micro-alloy steel plate: U.S. producers' channels of distribution, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Share (percent)</b>								
Shipments to distributors	30.1	26.2	25.7	23.7	17.9	16.9	14.5	20.2
Shipments to end users	69.9	73.8	74.3	76.3	82.1	83.1	85.5	79.8
Source: Compiled from data submitted in response to Commission questionnaires.								

## Common Manufacturing Facilities, Employees, and Processes

Of the 14 mills and the 9 processors producing CTL plate, 6 and 1, respectively, also produce micro-alloy steel plate. The manufacturing process for micro-alloy plate resembles the process for carbon plate, but larger amounts of alloying elements are used for micro-alloy steel.<sup>60</sup> Control-temperature rolling and heat-treating is often used for micro-alloy plate, which may not be used for carbon plate.<sup>61</sup> The same equipment and employees are used to produce both carbon and micro-alloy plate.<sup>62</sup>

## Producer and Consumer Perceptions

Some questionnaire respondents note that micro-alloy steel plate is perceived to be a higher-quality product than carbon steel plate<sup>63</sup> due to its greater longevity, wear resistance, and strength.<sup>64</sup> However, many producers and customers reportedly perceive little or no difference in comparable grades of carbon and micro-alloy steel.<sup>65</sup>

<sup>59</sup> \*\*\* importer questionnaire response, section II-10-b.

<sup>60</sup> \*\*\* producer questionnaire response, section VI-2-c.

<sup>61</sup> \*\*\* producer questionnaire response, section VI-2-c.

<sup>62</sup> \*\*\* producer questionnaire response, section VI-2-c.

<sup>63</sup> \*\*\* producer questionnaire response, section VI-2-e.

<sup>64</sup> \*\*\* importer questionnaire response, section II-10-d.

<sup>65</sup> \*\*\* purchaser and importer questionnaire responses, sections VII-d and II-10-d; \*\*\* importer questionnaire response, section II-10-d; and \*\*\* producer questionnaire response, section VI-2-e.

## Price

Micro-alloy steel plate usually is priced higher than carbon plate due to the costs for the additional alloying elements.<sup>66</sup> Questionnaire respondents do not agree as to the exact amount of the premium. The tabulation below presents the average unit value of U.S. producers' U.S. shipments of carbon steel CTL plate and micro-alloy steel CTL plate, based on questionnaire data.

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
Unit value ( <i>per short ton</i> )								
Carbon steel CTL plate	\$367	\$341	\$342	\$358	\$628	\$708	\$742	\$710
Micro-alloy steel CTL plate	\$466	\$466	\$424	\$428	\$671	\$884	\$880	\$875

## U.S. MARKET PARTICIPANTS

### U.S. Producers

In the current second reviews, the Commission mailed questionnaires to 16 integrated and non-integrated mills and 42 service centers believed to have cut-to-length processing lines. The Commission received questionnaire responses from 14 active mills<sup>67</sup> and historical data from one closed mill, representing substantially all U.S. mill shipments<sup>68</sup> of CTL plate in the United States. In addition, 10 service centers provided the Commission with data on their CTL plate operations. Five firms, representing \*\*\* percent of reported 2005 production, have filed notices of appearances in these reviews. Eleven firms, representing \*\*\* percent of reported 2005 production, support the continuation of the orders; nine firms, representing \*\*\* percent of production, \*\*\* on the orders; and one firm, representing \*\*\* percent of production, opposes all the orders.

Mittal is the one U.S. mill (and importer) related to producers from subject countries. Since the inception of these reviews, the Arcelor-Mittal merger has further expanded Mittal's relationship to subject producers. Mittal is related to Mittal Steel ("MS") Galati from Romania. \*\*\*. Mittal has a \*\*\* percent share in non-responding Polish producer Huta Batory.<sup>69</sup> The Arcelor-Mittal merger has linked Mittal to producers in Belgium, Germany, and Spain. Industeel, a Belgian CTL plate producer, and Arceralia, a Spanish CTL plate producer, are both subsidiaries of Arcelor. Neither firm provided the Commission with a completed questionnaire in the current reviews. The merger has also linked Mittal to German CTL plate producer Dillinger, a member of the Arcelor group.

Three firms are owned by plate producers located in nonsubject countries. IPSCO is owned by IPSCO Canada which produces CTL plate and exports it to the United States. Jindal United Steel Corp. is owned by Jindal Group of India. Finally, CSI is \*\*\* percent owned by JFE, a Japanese plate producer.

U.S. production of CTL plate occurs throughout the country. The West had experienced a decline in its share of production with the closure of producer Geneva in Vineyard, UT, followed by the exit of CSI's Fontana, CA, mill from the plate market. Details regarding each firm's production location, share of production, parent company, and position on the orders are presented in table CTL-I-21.

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<sup>66</sup> \*\*\* producer questionnaire response, section VI-2-f.

<sup>67</sup> The Commission received one "no" response from \*\*\*, and \*\*\* did not provide a response. \*\*\* provided the Commission with anecdotal data on its limited production of CTL plate.

<sup>68</sup> Total U.S. production coverage is based on a comparison of reported U.S. mill production and AISI shipment data.

<sup>69</sup> E-mail from \*\*\*, October 18, 2006.

Table CTL-I-21

CTL plate: U.S. mills and service centers, locations, share of 2005 production, parent company, and position on the orders

Firm	Production locations	Share of production (percent)	Parent company	Position on the orders
U.S. mills				
Arkansas Steel	Newport, AR	***	( <sup>2</sup> )	( <sup>2</sup> )
Claymont	Claymont, DE	***	***% HIG Capital	***
CSI	Fontana, CA	***	***% JFE ***% Rio Doce LTD	***
CMC Steel Alabama	Birmingham, AL	***	Commercial Metals Co. (100%)	***
Gerdau Ameristeel	Cartersville, GA Jackson, TN Wilton, IA Calvert City, KY	***	***% Gerdau, S.A.	***
Geneva	Vineyard, UT	***	( <sup>3</sup> )	( <sup>3</sup> )
IPSCO Enterprises, Inc.	Montpelier, IA Axis, AL St. Paul, MN Houston, TX	***	***% IPSCO, Inc.	***
Jindal United Steel Corp.	Baytown, TX	***	***% Jindal Group	***
Kentucky Electric	Ashland, KY	***	None	***
LeTourneau	Longview, TX	***	***% Rowan Companies, Inc.	***
Mittal Steel USA ISG Inc.	Burns Harbor, IN Coatesville, PA Conshohocken, PA	***	A division of Mittal Steel Company, NV	***
Nucor Steel	Cofield, NC Tuscaloosa, AL	***	***%, a division of Nucor Corporation	***
Oregon Steel Mills	Portland, OR	***	None	***
U.S. Steel	Gary, IN	***	None	***
WCI Steel, Inc.	Warren, OH	***	***% Renco Steel Holdings, Inc.	***

Table continued on next page.

**Table CTL-I-21—Continued**

**CTL plate: U.S. mills and service centers, locations, share of 2005 production, parent company, and position on the orders**

Firm	Production locations	Share of production (percent)	Parent company	Position on the orders
<b>U.S. service centers</b>				
American Steel	Portland, OR	***	***% Reliance Steel	***
Cargill Steel Service Centers	Houston, TX Memphis, TN Catoosa, OK Panama City, FL East Chicago, IN Nashville, TN	***	A division of Cargill Inc.	***
Feralloy	Chicago, IL Portage, IN	***	***% TUI-AG	***
Friedman	Lone Star, TX AR Morel, AR	***	None	***
IPSCO Enterprises, Inc.	St. Paul, MN Houston, TX	***	( <sup>4</sup> )	( <sup>4</sup> )
Olympic	Cleveland, OH	***	None	***
PDM	Fresno, CA	***	***% Reliance Steel & Aluminum	( <sup>2</sup> )
Primary Steel	Chicago, IL Middletown, CT	***	( <sup>2</sup> )	***
Robinson Steel	East Chicago, IN Granite City, IL	***	None	***
Steel Warehouse	South Bend, IN Oak Creek, WI Rock Island, IL Memphis, TN Chattanooga, TN	***	Lerman Holding Co., Inc. (***%) and Lerman Enterprise LLC. (***%)	***
Total: 100.0%				
<sup>1</sup> Less than 0.05 percent. <sup>2</sup> Information not supplied. <sup>3</sup> Geneva closed in December 2001. <sup>4</sup> ***.				
Note.—Because of rounding, figures may not add to total shown.				
Source: Compiled from data submitted in response to Commission questionnaires.				

### U.S. Importers

For these reviews, the Commission sent importers' questionnaires to all U.S. mills; all U.S. service centers believed to have cut-to-length processing lines; all U.S. firms believed to have imported CTL plate during previous investigations; and firms identified by \*\*\* as importers of record for CTL plate between January 2000 and March 2005. In response to the Commission's importers' questionnaires, 16 firms supplied usable data and 25 firms indicated that they had not imported the product since 2000. Several firms reported small amounts of imports of the subject product but did not complete the



questionnaires. The imports for these firms typically occurred in one year and were not substantial. Table CTL-I-21 presents a summary of information regarding U.S. importers of CTL plate.

Arcelor, a subsidiary of Arcelor France, is related to Dillinger in Germany, Industeel in Belgium, and Aceralia (Arcelor's Spanish operations). Arcelor is also related to GTS (France) and Industeel (which has French operations and a U.S. office for importation). Likewise, Industeel, an importer of CTL plate from Belgium, is part of Arcelor, and shares the same relationships.

Duferco is related to its Belgian parent company by the same name, and imports CTL plate from \*\*\*.<sup>70</sup> Duferco is also related to CTL plate producers Makstil in Macedonia and trading company Duferco SA (incorporated in Switzerland). Mitsui is related to Japanese CTL plate producer Mitsui. IPSCO is related to IPSCO Canada which produces CTL plate and exports it to the United States.

**Table CTL-I-22**

**CTL plate: U.S. importers, source of imports, U.S. headquarters, and parent company**

Firm	Source of imports	Headquarters	Parent company
Alro	***	Jackson, MI	None
Arcelor	***	New York, New York	Arcelor, France
Cargill	***	Minnetonka, MN	None
Duferco	***	Matawan, NJ	Nina Finance (Luxembourg) 100%
IPSCO	***	Lisle, IL	IPSCO, Inc. (Canada)
Industeel	***	Wayne, PA	Arcelor S.A., Belgium
KS Bearings	***	Fountain Inn, SC	KS International Investing (U.S.A.)
Macsteel	***	White Plains, NY	***
Man Ferrostal	***	Houston, TX	Man Capitol Corp. 100%
Marubeni Itochu	***	New York, NY	MISI (Japan)
Mitsui Steel	***	New York, NY	Mitsui & Co., Ltd. (Japan)
Mittal	***	Chicago, IL	Mittal, Netherlands
Metal One	***	Rosemont, IL	Metal One Holdings (U.S.)
Vestas American Wind Tech.	***	Portland, OR	Vestas Wind Systems (Denmark) 100%
Ryerson Tull	***	Chicago, IL	None
Schaeffler Group USA Corp.	***	Fort Mill, SC	Schaeffler Group (Germany) 100%
Stemcor	***	New York, New York	Stemcor Holdings, UK

Source: Compiled from data submitted in response to Commission questionnaires.

<sup>70</sup> Imports of non-excluded CTL plate from Belgium amounted to \*\*\* short tons in 2005.

## U.S. Purchasers

In response to purchaser questionnaires issued by the Commission to 68 firms, 39 purchasers supplied usable data and 20 reported that they had not purchased the subject product during the period for which data were collected. U.S. purchasers, their sources, U.S. locations, and type of firm, are shown in table CTL-I-23.<sup>71</sup>

**Table CTL-I-23**

**CTL plate: U.S. purchasers, their sources of purchases, U.S. locations, and types of firms**

Firm	Source of purchases	U.S. office location	Type of firm
A.M. Castle	***	Franklin Park, IL	***
Berg Steel Pipe Corp. <sup>1</sup>	***	Panama City, FL	***
BWX Technologies, Inc. <sup>2</sup>	***	Lynchburg, VA	***
Carolina Steel Group LLC <sup>3</sup>	***	Greensboro, NC	***
Caterpillar, Inc.	***	Peoria, IL	***
Central Steel & Wire Company	***	Chicago, IL	***
Chatham Steel <sup>4</sup>	***	Savannah, GA	***
Commercial Metals Company <sup>5</sup>	***	Irving, TX	***
Corus International America Houston <sup>6</sup>	***	Sugar Land, TX	***
DuBose Steel Inc. of NC	***	Roseboro, NC	***
EMJ <sup>7</sup>	***	Schaumburg, IL	***
Jeffboat LLC <sup>8</sup>	***	Jeffersonville, IN	***
John Deere	***	Moline, IL	***
Kenilworth Steel Co. <sup>9</sup>	***	Warren, OH	***
Kiewit Offshore Services, Inc. <sup>10</sup>	***	Ingleside, TX	***
KS Bearings	***	Fountain Inn, SC	***
Macsteel Service Centers USA	***	Newport Beach, CA	***
Metals USA, Inc.	***	Houston, TX	***
Metso Minerals Industries, Inc.	***	Waukesha, WI	***
Mitsui Steel, Inc. <sup>11</sup>	***	New York, NY	***
Morse Steel Service	***	Bellingham, WA	***
Nance Steel Sales, Inc.	***	Southfield, MI	***

Table continued on next page.

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<sup>71</sup> Purchaser questionnaires also were sent with importer questionnaires.

**Table CTL-I-23--Continued**

**CTL plate: U.S. purchasers, their sources of purchases, U.S. locations, and types of firms**

<b>Firm</b>	<b>Source of purchases</b>	<b>U.S. office location</b>	<b>Type of firm</b>
National Steel and Shipbuilding Co. <sup>12</sup>	***	San Diego, CA	***
Niagara LaSalle Corp. <sup>13</sup>	***	Hammond, IN	***
Olympic Steel, Inc.	***	Cleveland, OH	***
O'Neal Steel	***	Birmingham, AL	***
Pacific Steel & Recycling	***	Great Falls, MT	***
Panama Machinery & Equipment, Inc.	***	Everett, WA	***
Pioneer Steel Corp.	***	Detroit, MI	***
Primary Steel LLC	***	Middletown, CT	***
Reliance Steel Company	***	Los Angeles, CA	***
Russel Metals Williams Bahcall <sup>14</sup>	***	Appleton, WI	***
Ryerson, Inc.	***	Chicago, IL	***
Samuel, Son, & Co. Inc.	***	Lancaster, NY	***
Schaeffler Group USA Corp. <sup>15</sup>	***	Fort Mill, SC	***
Synergy Steel Inc.	***	Troy, MI	***
Thomas & Betts Corp.	***	Memphis, TN	***
Union Tank Car Company <sup>16</sup>	***	Chicago, IL	***
Vestas American Wind Technology, Inc. <sup>17</sup>	***	Portland, OR	***

<sup>1</sup> Owned by Europipe GmbH.

<sup>2</sup> Owned by McDermott.

<sup>3</sup> Owned by Hirschfeld Holdings LP.

<sup>4</sup> Owned by Reliance Steel & Aluminum.

<sup>5</sup> Owned by Commercial Metals Corp.

<sup>6</sup> Owned by Reliance Steel.

<sup>7</sup> Owned by Corus Group PLC.

<sup>8</sup> Owned by American Commercial Lines, Inc.

<sup>9</sup> Owned by Stemcor, Inc.

<sup>10</sup> Owned by Kiewit Corp.

<sup>11</sup> Owned by Mitsui & Co.

<sup>12</sup> Owned by NASSCO Holdings, Inc.

<sup>13</sup> Owned by Niagara Corp.

<sup>14</sup> Owned by Russel Metals Inc.

<sup>15</sup> Owned by Schaeffler Group Kg.

<sup>16</sup> Owned by The Marmon Group.

<sup>17</sup> Owned by Vestas Wind Systems A/S.

Note.—Despite repeated contacts by Staff, \*\*\* of Houston, TX, did not provide a questionnaire response, despite committing to do so.

Source: Compiled from data submitted in response to Commission questionnaires.

## APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table CTL-I-24 presents apparent U.S. consumption and table CTL-I-25 presents market shares.

**Table CTL-I-24**

**CTL plate: Apparent U.S. consumption, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
U.S. producers' U.S. shipments	6,115,864	5,595,208	5,988,501	6,041,385	6,442,052	6,618,088	3,304,432	3,866,052
Imports from--								
Belgium	15,614	16,575	11,615	6,226	10,271	10,388	2,767	6,853
Brazil	3,243	2,978	1,477	0	18	2,460	1,961	420
Finland	0	19	0	0	1,290	0	0	0
Germany	8,783	129	40,536	2,647	23,413	2,078	1,491	15,671
Mexico	153	271	273	308	1,083	440	379	168
Poland	3	386	0	0	45	61	61	0
Romania	6	5,981	44,339	69,552	109,969	49,813	3,014	0
Spain	5	0	6	0	0	0	0	0
Sweden	354	1,312	198	0	280	182	182	50
Taiwan	75	66	226	0	0	0	0	0
United Kingdom	847	125	79	23	8	17	0	19
Subtotal	29,083	27,842	98,749	78,755	146,377	65,439	9,856	23,181
Nonsubject	669,666	611,424	452,321	234,670	390,123	598,444	331,866	545,050
Total imports	698,749	639,266	551,069	313,425	536,500	663,883	341,722	568,231
Apparent U.S. consumption	6,814,613	6,234,474	6,539,570	6,354,810	6,978,552	7,281,971	3,646,154	4,434,283
<b>Value (1,000 dollars)</b>								
U.S. producers' U.S. shipments	2,242,250	1,909,806	2,050,077	2,164,450	4,047,066	4,685,560	2,452,976	2,744,626
Imports from--								
Belgium	6,458	6,511	4,951	3,086	7,023	8,923	1,976	5,904
Brazil	1,546	1,386	288	0	7	3,138	2,714	323
Finland	0	10	0	0	1,112	0	0	0
Germany	4,030	92	17,028	1,688	10,641	1,440	980	15,574
Mexico	65	141	81	123	570	271	244	79
Poland	4	95	0	0	23	36	36	0
Romania	6	1,433	12,627	20,706	58,584	31,292	2,084	0
Spain	2	0	2	0	0	0	0	0
Sweden	198	1,095	192	0	131	108	108	33
Taiwan	26	20	270	0	0	0	0	0
United Kingdom	246	88	49	7	3	6	0	6
Subtotal	12,581	10,873	35,489	25,610	78,094	45,214	8,143	21,920
Nonsubject	199,956	180,362	143,493	78,892	221,897	400,852	227,169	325,305
Total imports	212,537	191,235	178,982	104,501	299,990	446,065	235,312	347,225
Apparent U.S. consumption	2,454,787	2,101,040	2,229,060	2,268,951	4,347,057	5,131,625	2,688,288	3,091,851
Source: Compiled from data submitted in response to Commission's questionnaires, and official import statistics.								

Table CTL-I-25

CTL plate: U.S. market shares, 2000-05, January-June 2005, and January-June 2006

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Apparent U.S. consumption	6,814,613	6,234,474	6,539,570	6,354,810	6,978,552	7,281,971	3,646,154	4,434,283
<b>Value (1,000 dollars)</b>								
Apparent U.S. consumption	2,454,787	2,101,040	2,229,060	2,268,951	4,347,057	5,131,625	2,688,288	3,091,851
<b>Share of quantity (percent)</b>								
U.S. producers' U.S. shipments	89.7	89.7	91.6	95.1	92.3	90.9	90.6	87.2
Imports from--								
Belgium	0.2	0.3	0.2	0.1	0.1	0.1	0.1	0.2
Brazil	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )	0.1	( <sup>1</sup> )
Finland	0.0	( <sup>1</sup> )	0.0	0.0	( <sup>1</sup> )	0.0	0.0	0.0
Germany	0.1	( <sup>1</sup> )	0.6	( <sup>1</sup> )	0.3	( <sup>1</sup> )	( <sup>1</sup> )	0.4
Mexico	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Poland	( <sup>1</sup> )	( <sup>1</sup> )	0.0	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0
Romania	( <sup>1</sup> )	0.1	0.7	1.1	1.6	0.7	0.1	0.0
Spain	( <sup>1</sup> )	0.0	( <sup>1</sup> )	0.0	0.0	0.0	0.0	0.0
Sweden	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Taiwan	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	0.0	0.0	0.0	0.0
United Kingdom	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	0.0
Subtotal	0.4	0.4	1.5	1.2	2.1	0.9	0.3	0.5
Nonsubject	9.8	9.8	6.9	3.7	5.6	8.2	9.1	12.3
Total imports	10.3	10.3	8.4	4.9	7.7	9.1	9.4	12.8
<b>Share of value (percent)</b>								
U.S. producers' U.S. shipments	91.3	90.9	92.0	95.4	93.1	91.3	91.2	88.8
Imports from--								
Belgium	0.3	0.3	0.2	0.1	0.2	0.2	0.1	0.2
Brazil	0.1	0.1	( <sup>1</sup> )	0.0	( <sup>1</sup> )	0.1	0.1	( <sup>1</sup> )
Finland	0.0	( <sup>1</sup> )	0.0	0.0	( <sup>1</sup> )	0.0	0.0	0.0
Germany	0.2	( <sup>1</sup> )	0.8	0.1	0.2	( <sup>1</sup> )	( <sup>1</sup> )	0.5
Mexico	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Poland	( <sup>1</sup> )	( <sup>1</sup> )	0.0	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0
Romania	( <sup>1</sup> )	0.1	0.6	0.9	1.3	0.6	0.1	0.0
Spain	( <sup>1</sup> )	0.0	( <sup>1</sup> )	0.0	0.0	0.0	0.0	0.0
Sweden	( <sup>1</sup> )	0.1	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Taiwan	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	0.0	0.0	0.0	0.0
United Kingdom	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )
Subtotal	0.5	0.5	1.6	1.1	1.8	0.9	0.3	0.7
Nonsubject	8.1	8.6	6.4	3.5	5.1	7.8	8.5	10.5
Total imports	8.7	9.1	8.0	4.6	6.9	8.7	8.8	11.2

<sup>1</sup> Less than 0.05 percent.

Source: Compiled from data submitted in response to Commission's questionnaires, and official Commerce import statistics.



## **PART CTL-II: CONDITIONS OF COMPETITION IN THE U.S. MARKET**

### **U.S. MARKET CHARACTERISTICS**

CTL plate is produced from carbon steel slabs. As discussed in Part CTL-I, slabs are formed from molten steel, then typically passed through either a traditional reversing plate mill or a steckel mill, which increases the width and reduces the thickness. Alternatively, the slab may be processed into coiled plate<sup>1</sup> on a hot strip mill (or a combination mill) and processed through a separate shear line. The plate is finished to the customer's specified thickness, width, and length.<sup>2</sup>

Commodity-grade CTL plate is used in a variety of applications, such as the manufacture of storage tanks, heavy machinery and machinery parts, ships and barges, agriculture and construction equipment, and general load-bearing structures. Non-commodity grades of CTL plate have superior strength and performance characteristics as compared with commodity grades of CTL plate and typically are made to order for customers seeking specific properties, such as improved malleability, hardness or abrasion resistance, impact resistance or toughness, higher strength, and ease in machining and welding. These particular properties are achieved by chemically refining the steel by increasing or decreasing specific elements, and by accurate temperature control while hot rolling or heat treating the plate. Non-commodity grades of CTL plate are used to manufacture railroad cars, line pipes, mobile equipment, highway and railway bridges, pressure vessels, military armor, and machinery components.

### **U.S. CHANNELS OF DISTRIBUTION**

U.S. producers and importers ship CTL plate to end users, as well as to distributors and service centers (*see* table CTL-II-1). U.S. producers shipped slightly more than half of their CTL plate to distributors and slightly less than half to end users during the review period. There was too little data reported to comment on imports from subject countries, but importers from nonsubject countries shipped more than one-half of their CTL plate to distributors in every year except 2002.

U.S. producers and importers, as a whole, reported nationwide sales, although most individual firms reported that their sales were concentrated in particular regions. Generally, producers reported serving primarily the Midwest, Central Southwest, and Southeast, as well as the national market, and importers reported primarily serving the Midwest and Central Southwest, as well as the national market (*see* table CTL-II-2). Three of the seven importers that reported nationwide sales import from subject countries, and three importers from subject countries did not respond to the question.

\*\*\* reported modest sales of CTL plate using the internet, generally \*\*\* percent of sales or less. None of the 39 purchasers reported buying CTL plate over the internet.

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<sup>1</sup> Coiled plate also is used as the feedstock for the manufacture of welded pipe.

<sup>2</sup> Service centers generally purchase coiled plate from U.S. or foreign mills to produce CTL plate.

Table CTL-II-1

CTL plate: Channels of distribution for domestic product and imports<sup>1</sup> sold in the U.S. market (as a percent of total) by year and by source, 2000-05<sup>2</sup>

Item	2000	2001	2002	2003	2004	2005
Share of quantity (percent)						
<b>Domestic industry:</b>						
Shipments to distributors/service centers	55.2	51.2	54.1	54.0	57.2	54.4
Shipments to end users	44.8	48.8	45.9	46.0	42.8	45.6
<b>Imports from Belgium:</b>						
Shipments to distributors/service centers	***	***	***	***	***	***
Shipments to end users	***	***	***	***	***	***
<b>Imports from Finland:</b>						
Shipments to distributors/service centers	***	***	***	***	***	***
Shipments to end users	***	***	***	***	***	***
<b>Imports from Germany:</b>						
Shipments to distributors/service centers	***	***	***	***	***	***
Shipments to end users	***	***	***	***	***	***
<b>Imports from Romania:</b>						
Shipments to distributors/service centers	***	***	***	***	***	***
Shipments to end users	***	***	***	***	***	***
<b>Nonsubject imports:</b>						
Shipments to distributors/service centers	***	***	***	***	***	***
Shipments to end users	***	***	***	***	***	***
<p><sup>1</sup> No data were reported for imports from Brazil, Mexico, Poland, Spain, Sweden, Taiwan, or the United Kingdom. ***.</p> <p><sup>2</sup> In the original investigations, U.S. mills shipped 53.7 percent of their CTL plate to end users and 46.3 percent to distributors, service centers, and processors. U.S. importers shipped 17.8 percent of their CTL plate to end users and 82.2 percent to distributors, service centers, and processors. In the first reviews, U.S. producers shipped 59.5 percent of their CTL plate to distributors and 40.5 percent to end users. For information on imports of CTL plate from the first reviews, see supplemental memorandum INV-X-229, October 30, 2000.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires; <i>Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom</i>, Inv. Nos. AA1921-197, 701-TA-231, 319-320, 322, 325-328, 340, 342, 348-350, and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, 614-618 (Review), USITC Publication 3364 (November 2000); and <i>Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom</i>, Inv. Nos. 701-TA-319-332, 334, 336-342, 344, 347-353, and 731-TA-573-579, 581-592, 594-597, 599-609, 612-619 (Final), USITC Publication 2664 (August 1993).</p>						



**Table CTL-II-2****CTL plate: Geographic market areas in the United States served by domestic producers and importers of subject product<sup>1</sup>**

Region	Producers	Importers
Contiguous United States	7	7
Northeast	2	1
Midwest	10	7
Central Southwest	8	5
Southeast	9	2
Mountains	2	1
Pacific Coast	5	2

<sup>1</sup> In the first reviews, U.S. producers and importers, as a whole, reported nationwide sales, though most individual firms reported that their sales were concentrated in particular regions. In the original investigations, the staff report did not discuss geographic market area data reported by U.S. producers and importers but official statistics showed that imports from the subject countries entered all four major regions of the United States.

Note.—Nineteen producers and 15 importers responded to this question. Firms were not limited to the number of market areas that they could report.

Source: Compiled from data submitted in response to Commission questionnaires; *Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom*, Inv. Nos. AA1921-197, 701-TA-231, 319-320, 322, 325-328, 340, 342, 348-350, and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, 614-618 (Review), USITC Publication 3364 (November 2000); and *Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom*, Inv. Nos. 701-TA-319-332, 334, 336-342, 344, 347-353, and 731-TA-573-579, 581-592, 594-597, 599-609, 612-619 (Final), USITC Publication 2664 (August 1993).

## SUPPLY AND DEMAND CONSIDERATIONS

### U.S. Supply

#### Domestic Production

Four producers and three importers reported that consolidation in the U.S. CTL plate industry has affected the availability of CTL plate since 2000. One producer reported that the U.S. safeguard measures on steel, which included increased duties on CTL plate from March 2002 until December 2003, affected the availability of CTL plate. Other producers and importers reported that increased capacity in the U.S. industry, shutdowns at some U.S. facilities, increased energy and transportation costs, increased imports from nonsubject countries, and increased CTL plate production and demand in China and India have affected supply since 2000. Eighteen of the 19 responding producers and 13 of the 15 responding importers reported they do not anticipate any change in the availability of U.S.-produced CTL plate in the U.S. market in the future. \*\*\* reported that it expects a decrease in the availability of U.S.-produced CTL plate due to mill outages, consolidation, and increases in line pipe production.

Purchasers were asked if there have been changes in any factors that affected the availability of CTL plate in the U.S. market since 2000. Thirty of the 36 responding purchasers reported that there had been changes, such as shortages and price increases of raw materials, mill consolidations, bankruptcies, increases in capacity, increased energy and transportation costs, and increased demand for CTL plate and

raw materials in China, which limited the availability of foreign products. Most purchasers reported that raw material, energy, and transportation cost increases began in late 2003 or early 2004. \*\*\* reported that the U.S. safeguard action and the U.S. military's involvement in Iraq have affected the availability of CTL plate in the U.S. market. \*\*\* reported that Mittal's rougher mill outage in June 2006 has affected the availability of plate more recently.<sup>3</sup>

Purchasers also were asked if any suppliers refused, declined, or were unable to supply CTL plate since 2000. Twenty-five purchasers reported that there had been problems with supply, with most reporting that domestic mills had placed them on allocation, or controlled order entry, from early 2004 to early-to-mid 2005.<sup>4</sup> \*\*\* reported that in 2003 through 2005, there was limited heat-treatment material available, and \*\*\* reported that Mittal had customers on allocation in 2005 for thick plate. Five purchasers reported that domestic mills had placed them on allocation or controlled order entry in 2006,<sup>5</sup> with another purchaser reporting that supply has been tight in 2006.<sup>6</sup> \*\*\* reported that suppliers in Mexico refused new customers in 2004, and \*\*\* reported that a supplier in France has not quoted prices since 2004 and that a German company had placed the firm on controlled order entry since 2004.

Four of the 19 responding producers and 5 of the 16 responding importers reported having refused, declined, or been unable to supply CTL plate since 2000. \*\*\* reported limiting orders from new accounts, reserving space for regular customers, concentrating on contractual and local accounts, or closing order books beginning in 2004.<sup>7</sup> \*\*\* reported that it declined to sell certain plate products during the period covered by the U.S. safeguard action and that it has limited new customers since 2004, and \*\*\* reported that since 2004, it has focused on its core customers and limited new customers.

Producers and importers reported that, generally, there have been no significant changes in the product range, product mix, or marketing of CTL plate since 2000, nor do they anticipate any changes in the future. \*\*\* reported that it began using the internet for marketing, \*\*\* reported that there has been a general switch from blast furnaces to electric arc furnaces since 2000, and \*\*\* reported that heat

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<sup>3</sup> A motor outage in mid-June 2006 caused Mittal Steel's Conshohocken, PA plant, which produces carbon and stainless steel plate, to run at reduced capacity. "Plate market feeling strain after Mittal mill loses motor." American Metal Market, June 28, 2006, found at [http://amm.com/2006-06-27\\_15-23-39.html](http://amm.com/2006-06-27_15-23-39.html), retrieved September 1, 2006. The mill's repaired motor was installed August 29, 2006 and carbon steel production has resumed. "Mittal Steel ramping up plate mill hit by motor breakdown in June." American Metal Market, September 1, 2006, found at [http://amm.com/2006-09-01\\_15-59-01.html](http://amm.com/2006-09-01_15-59-01.html), retrieved September 1, 2006. In addition, Mittal also experienced a blast furnace outage at its Sparrows Point mill in June 2006 but both Conshohocken and Sparrows Point are back to normal operations. Hearing transcript, p. 61 (Fabina). More recently, Mittal experienced two different blast furnace outages, one in late October 2006 and one in mid-November 2006, but both were repaired and are now back in service. "Mittal's 'C' furnace at Burns Harbor briefly idled after breakout at tuyere." American Metal Market, November 13, 2006, found at [http://amm.com/2006-11-13\\_15-12-41.html](http://amm.com/2006-11-13_15-12-41.html), retrieved November 20, 2006.

<sup>4</sup> Caterpillar reported that it was on allocation in 2004 but that it is not currently on allocation. However, it reported that \*\*\*. Caterpillar's posthearing brief, pp. 1-2.

<sup>5</sup> IPSCO, Nucor, and Oregon reported that they do not have any customers on allocation in 2006. Hearing transcript, pp. 91-92 (Tulloch, McFadden, and Montross). However, \*\*\* reported that it has had trouble with supply from Mittal, Nucor, and IPSCO from "January 2004 to the present." \*\*\* reported that from the second quarter of 2006 until "further notice," Mittal, Nucor, IPSCO, and Citisteel had customers on allocation. \*\*\* reported that domestic mills had a controlled order entry system in 2006. \*\*\* reported that it has been on allocation for the second and third quarters of 2006 from most U.S. producers. \*\*\* reported that Mittal, IPSCO, and Nucor are on allocation in 2006.

<sup>6</sup> Heavy-carbon products, including plate, have reportedly experienced strong demand conditions and a possible structural shortfall in domestic capacity. "Two steel markets veering off in opposite directions." American Metal Market, August 11, 2006, found at [http://amm.com/2006-08-11\\_21-20-35.html](http://amm.com/2006-08-11_21-20-35.html), retrieved September 1, 2006.

<sup>7</sup> Six purchasers reported being placed on allocation or having problems obtaining CTL plate from \*\*\*, but \*\*\* reported that it did not refuse, decline, or was unable to supply CTL plate since 2000.

treatment, chemistry, and dimensional characteristics have become more sophisticated. \*\*\* also reported that it expects Nucor and IPSCO to invest in value-added heat treatment capabilities.

Purchasers were asked to identify and discuss any improvements/changes in the U.S. CTL plate industry since 2000 and any improvements/changes that they anticipate in the future, and eight purchasers responded. \*\*\* reported that consolidation of the U.S. industry has produced three large suppliers of CTL plate in Mittal, Nucor, and IPSCO and, they believed, reduced supply in the U.S. market. \*\*\* reported that consolidation has led to price stability and that the absence of unfairly traded imports has eliminated disruptive price fluctuations. \*\*\* reported that IPSCO and Nucor have invested significant capital in their facilities since 2001 and that they now represent a significant proportion of North American capacity. \*\*\* reported that the U.S. mills have gone from making large losses to large profits during the review period and that IPSCO and Nucor have abandoned plans for controlled rolling and a new heat treatment facility because demand has outpaced supply in the U.S. market.<sup>8</sup> \*\*\* reported that old participants have shed legacy costs through consolidation and new efficient producers have entered the market. \*\*\* reported that the increased use of computers and consolidation within the U.S. industry has affected modernization by increasing efficiency and capacities, and that it expects continued consolidation to bring CTL plate prices down.

Based on available information, U.S. producers are likely to respond to changes in demand with small to moderate changes in the quantity of shipments of U.S.-produced CTL plate. The main contributing factors to the low to moderate degree of responsiveness of supply are the availability of unused capacity, few export shipments, low levels of inventories, and some production alternatives.

### ***Industry capacity***

U.S. producers reported excess capacity throughout the period for which data were collected in these reviews. U.S. producers' capacity utilization for CTL plate increased irregularly from 62.7 percent in 2000 to 65.7 percent in 2005 and, at 75.5 percent, was higher in January-June 2006 than it was at any time during the review period (*see* table CTL-III-2). U.S. mills' reported capacity utilization increased from 70.5 percent in 2000 to 75.6 percent in 2005 (*see* table C-1a), and U.S. processors' reported capacity utilization increased from 46.8 percent in 2000 to 47.4 percent in 2005 (*see* table C-1b).<sup>9</sup> Processors generally do not have the capability of producing thicker plate (including plate that is over 1 inch in thickness), wide plate, or plate with special chemistries.

### ***Alternative markets***

U.S. producers' export shipments, as a share of total shipments, increased from 3.7 percent in 2000 to 6.2 percent in 2005 (*see* table CTL-III-4), and export shipments in January-June 2006 were higher than they were during the same period in 2005. This relatively low level of exports during the period indicates that domestic producers may be somewhat constrained in their ability to shift shipments between the United States and other markets in response to price changes. Indeed, 16 of the 18 responding producers reported that they are unable or limited in their ability to shift sales of CTL plate between the U.S. market and alternative country markets. Most producers reported that freight costs, competition from subsidized foreign producers, and the lack of established contacts in other markets limit their ability to shift sales. Three producers reported that U.S. exports of CTL plate are subject to tariff or

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<sup>8</sup> "Nucor's carbon focus puts heat treat on hold." American Metal Market, February 22, 2005, found at [http://amm.com/2005-02-22\\_15-05-41.html](http://amm.com/2005-02-22_15-05-41.html), retrieved September 20, 2006.

<sup>9</sup> By January-June 2006, however, the U.S. mills' capacity utilization rate was approaching 90 percent, while the U.S. processors' capacity utilization exceeded 50 percent. More than one-half of available mill capacity in interim 2006, moreover, was located at bar mills producing wide flat bars.

non-tariff barriers in other countries including currency manipulation, local content requirements, and foreign government subsidies.<sup>10</sup>

### ***Inventory levels***

U.S. producers' inventories, as a share of total shipments, decreased from 11.0 percent in 2000 to 7.5 percent in 2005 and were lower in January-June 2006 than they were during the same period in 2005 (*see* table CTL-III-5). U.S. mills' inventories, as a share of total shipments, fell from 8.2 percent in 2000 to 5.5 percent in 2005 (*see* table C-1a) and were slightly lower in January-June 2006 than during the same period in 2005. U.S. processors' inventories, as a share of total shipments, decreased from 19.3 percent in 2000 to 13.4 percent in 2005 and similarly were slightly lower in January-June 2006 than in January-June 2005 (*see* table C-1b).<sup>11</sup>

### ***Production alternatives***

Ten of the 19 responding producers reported that they produce other products, such as hot-rolled sheet in coils, hot-rolled coated steel, angles, CTL sheets, alloy plate, stainless steel plate, and clad plate, on the same equipment and machinery used in the production of CTL plate. Eleven producers<sup>12</sup> reported that they are able to switch production to these other products in response to relative price changes. Six producers (three mills and three processors) reported that the time and cost to switch production are minimal, but other producers reported that the switch would be unlikely.

### **Subject Imports**

The sensitivity of supply of subject imported CTL plate to changes in price depends upon such factors as the existence of excess capacity, the levels of inventories, and the existence of export markets. Relevant information from questionnaire responses for Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Taiwan, and the United Kingdom follows, but there was limited information from questionnaire responses for producers from Spain or Sweden.

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<sup>10</sup> \*\*\* reported that, although there are no known antidumping or countervailing duty orders on U.S. exports of CTL plate, there are a number of other barriers to U.S. exports. *See* \*\*\* producer questionnaire, response to question IV-B-30.

<sup>11</sup> Mittal reported that service center inventories of CTL plate in September 2006 were at their highest level since 2002. Mittal's posthearing brief, pp. 3-4 and public exhibit 2. Joint respondent interested parties reported that the MSCI inventory data include both CTL plate and coiled plate and suggest that the majority of the data reported are inventories of nonsubject product. Brazilian respondent interested parties' posthearing brief, exhibit 1 (joint respondent interested parties' answers to Commissioners' questions), pp. 1-3. The MSCI data appear in part CTL-III of this report.

<sup>12</sup> \*\*\* reported that they have not or do not anticipate in the future producing other products on the same machinery and equipment or using the same production and related workers in the production of CTL plate but reported that they could switch production between CTL plate and other products in response to a relative price change. \*\*\* reported that they have produced other products on the same machinery and equipment or using the same production and related workers in the production of CTL plate but reported that they could not switch production in response to a relative price change.

## ***Belgium***

Based on available information, the responding Belgian producer is likely to respond to changes in demand with moderate changes in the quantity of shipments of CTL plate to the U.S. market.<sup>13</sup> The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets, low levels of inventories, some production alternatives, and high capacity utilization. Belgian export shipments, as a share of total shipments, decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005, with over \*\*\* percent going to the European Union (*see* table CTL-IV-9). Belgian inventories, as a share of total shipments, increased irregularly from \*\*\* percent in 2000 to \*\*\* percent in 2005. Belgian capacity utilization for CTL plate decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Duferco reported that \*\*\*.

## ***Brazil***

Based on available information, Brazilian producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of CTL plate to the U.S. market.<sup>14</sup> The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets, moderate levels of inventories, and high capacity utilization. Brazilian producers' export shipments, as a share of total shipments, increased from \*\*\* percent in 2000 to \*\*\* percent in 2005 and at \*\*\* percent, were \*\*\* (*see* table CTL-IV-14). Brazilian inventories, as a share of total shipments, increased from \*\*\* percent in 2000 to \*\*\* percent in 2005, \*\*\*. Brazilian producers' capacity utilization for CTL plate increased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Reported capacity utilization was \*\*\* percent in January-June 2006, down from \*\*\* percent during the same period in 2005. One Brazilian producer reported that \*\*\*.

## ***Finland***

Based on available information, Finnish producer Rautaruukki is likely to respond to changes in demand with small to moderate changes in the quantity of shipments of CTL plate to the U.S. market.<sup>15</sup> The main contributing factors to the low to moderate degree of responsiveness of supply are the existence of alternate markets, low levels of inventories, and high capacity utilization. Rautaruukki's export shipments, as a share of total shipments, increased irregularly from \*\*\* percent in 2000 to \*\*\* percent in 2005 (*see* table CTL-IV-19). Finnish inventories, as a share of total shipments, were about the same in 2000 (\*\*\* percent) and 2005 (\*\*\* percent). Finnish capacity utilization for CTL plate increased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Reported capacity utilization was \*\*\* percent in January-June 2006, down from \*\*\* percent during the same period in 2005. Rautaruukki reported \*\*\*.

## ***Germany***

Based on available information, German producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of CTL plate to the U.S. market.<sup>16</sup> The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets, moderate levels of inventories, and high capacity utilization. German producers' export

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<sup>13</sup> Duferco reported \*\*\*. It also reported facing competition in its home market from \*\*\*.

<sup>14</sup> The two responding Brazilian producers are \*\*\*. However, Brazilian producers reported that they \*\*\*. Brazilian respondent interested parties' posthearing brief, exhibit 5, pp. 10-11.

<sup>15</sup> Rautaruukki reported that \*\*\*. It also reported that it is \*\*\*.

<sup>16</sup> German producers reported that \*\*\*. They also reported that \*\*\*.

shipments, as a share of total shipments, increased from 38.4 percent in 2000 to 43.3 percent in 2005 (*see* table CTL-IV-25). German producers' inventories, as a share of total shipments, increased irregularly from 8.9 percent in 2000 to 10.2 percent in 2005. German producers' capacity utilization for CTL plate increased from 92.1 percent in 2000 to 104.4 percent in 2005. Reported capacity utilization was 104.0 percent in January-June 2006, just as during the same period in 2005. German producers reported that they produce alloy and X-70 plate using the same equipment or production workers as CTL plate but cannot shift production as a result of a relative price change.

### ***Mexico***

Based on available information, the Mexican producer, AHMSA, is likely to respond to changes in demand with relatively small changes in the quantity of shipments of CTL plate to the U.S. market.<sup>17</sup> The main contributing factors to the low degree of responsiveness of supply are few export shipments, low levels of inventories, and high levels of capacity utilization. The Mexican producer's export shipments, as a share of total shipments of CTL plate, increased from \*\*\* percent in 2000 to \*\*\* percent in 2005 (*see* table CTL-IV-31). Mexican inventories, as a share of total shipments, decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Capacity utilization increased from \*\*\* percent in 2000 to \*\*\* percent in 2005, and was \*\*\* percent in January-June 2006, up from \*\*\* percent during the same period in 2005. AHMSA reported that \*\*\*.

### ***Poland***

Based on available information, Polish producers are likely to respond to changes in demand with small to moderate changes in the quantity of shipments of CTL plate to the U.S. market.<sup>18</sup> The main contributing factors to the low to moderate degree of responsiveness of supply are the existence of alternate markets, low levels of inventories, some production alternatives, and high capacity utilization. Polish producers' export shipments, as a share of total shipments, decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005 and were lower in January-June 2006 than during the same period in 2005 (*see* table CTL-IV-37). Polish producers' inventories, as a share of total shipments, increased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Polish producers' capacity utilization for CTL plate decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Reported capacity utilization was \*\*\* percent in January-June 2006, up from \*\*\* percent during the same period in 2005. Polish producer HSC reported that \*\*\*.

### ***Romania***

Based on available information, Romanian producer Mittal Steel (MS) Galati is likely to respond to changes in demand with moderate changes in the quantity of shipments of CTL plate to the U.S. market.<sup>19</sup> The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets, moderate levels of inventories, and some unused capacity. The Romanian producer's export shipments, as a share of total shipments, increased from \*\*\* percent in 2000 to \*\*\* percent in 2005, with the largest share going to Asia, other than China (*see* table CTL-IV-43). The Romanian producer's inventories, as a share of total shipments, decreased irregularly from \*\*\* percent in 2000 to \*\*\* percent in 2005. Romanian capacity utilization for CTL plate decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Reported capacity utilization was \*\*\* percent in January-June 2006, up from \*\*\* percent during the same period in 2005. Mittal Steel Galati reported that \*\*\*.

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<sup>17</sup> AHMSA reported that \*\*\*. It also reported that \*\*\*.

<sup>18</sup> HSC reported that \*\*\*.

<sup>19</sup> Mittal Steel Galati reported that \*\*\*. It also reported that \*\*\*.

## ***Taiwan***

Based on available information, China Steel is likely to respond to changes in demand with small changes in the quantity of shipments of CTL plate to the U.S. market.<sup>20</sup> The main contributing factors to the low degree of responsiveness of supply are low levels of exports, low levels of inventories, and high capacity utilization. Taiwan export shipments, as a share of total shipments, decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005 (*see* table CTL-IV-51). Taiwan inventories, as a share of total shipments, decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Taiwan capacity utilization for CTL plate increased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Reported capacity utilization was \*\*\* percent in January-June 2006, down from \*\*\* percent during the same period in 2005. China Steel reported that \*\*\*.

## ***United Kingdom***

Based on available information, UK producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of CTL plate to the U.S. market.<sup>21</sup> The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets, low levels of inventories, some production alternatives, and some unused capacity. UK producers' export shipments, as a share of total shipments, increased from \*\*\* percent in 2000 to \*\*\* percent in 2005 and were largely destined for EU markets (*see* table CTL-IV-56). UK producers' inventories, as a share of total shipments, increased from \*\*\* percent in 2000 to \*\*\* percent in 2005. UK producers' capacity utilization for CTL plate increased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Reported capacity utilization was \*\*\* percent in January-June 2006, down from \*\*\* percent during the same period in 2005. One UK producer reported that \*\*\*.

## **Nonsubject Imports**

Imports from nonsubject countries decreased from 2000 to 2003 before increasing in 2004 and 2005 (*see* table CTL-IV-2).<sup>22</sup> Six of the 18 responding producers and 5 of the 14 responding importers reported that the availability of nonsubject CTL plate has changed since 2000. Producers reported that there were increased imports from Malaysia, Thailand, Indonesia, China, Australia, Korea, Canada, Italy, and France during the period. \*\*\* reported that the U.S. safeguard action decreased the volume of nonsubject imports but that after the safeguard was terminated, U.S. imports from some countries increased significantly. Four importers reported that nonsubject availability has been reduced during the period, in part due to strong demand in their home markets, as well as globally. One importer reported that there has been an increase in nonsubject imports.

## **U.S. Demand**

### **Demand Characteristics**

Apparent U.S. consumption of CTL plate fluctuated in a generally downward trend from 2000 through 2003, decreasing from 6.8 million short tons in 2000 to less than 6.4 million short tons in 2003. Apparent U.S. consumption then increased to 7.3 million short tons in 2005 and was higher in January-

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<sup>20</sup> China Steel reported that \*\*\*.

<sup>21</sup> Niagara LaSalle reported that \*\*\*. The UK producers reported that \*\*\*. Corus reported that \*\*\*.

<sup>22</sup> As described in the Overview to this report, increased duties on CTL plate were in effect between March 2002 and December 2003 as part of the U.S. safeguard action on certain steel products.

June 2006 than in January-June 2005. Twelve producers, 10 importers, and 24 purchasers reported that demand has increased since 2000, while five producers, two importers, and four purchasers reported that demand has not changed. Of those reporting that demand increased, factors cited included the improved economy, increased investment, lower interest rates, increased global consumption, increased shipbuilding and oil and gas exploration, increased use for military applications, rebuilding activities after the hurricanes of 2005, and increased construction and manufacturing activity.

Two producers, one importer, and one purchaser reported that demand has fluctuated, with both increases and decreases during the period. Two purchasers reported that demand decreased, citing the departure of manufacturing from the United States as the reason. When asked if they anticipate future changes in CTL plate demand in the United States and the rest of the world, 9 producers,<sup>23</sup> 2 importers, and 13 purchasers responded in the affirmative, and many explained that China, India, and developing countries will continue to be a factor in demand growth as well as growth in oil and gas pipelines<sup>24</sup> and infrastructure improvements.<sup>25</sup> Some reported that there is increased demand for alternative energy sources, such as wind towers.<sup>26</sup> Three producers and one purchaser reported that demand will ease, and another purchaser reported that the continued loss of manufacturing activity will further affect demand.

The overall demand for CTL plate primarily depends upon the demand for a variety of end-use applications (*see* table CTL-II-3). Producers, importers, and purchasers were asked to list the end uses of CTL plate. The most commonly reported uses were the construction of bridges, oil and gas pipelines, offshore platforms, ships, barges, storage vessels, utility poles, and agricultural, construction, mining, and forestry equipment.<sup>27</sup>

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<sup>23</sup> \*\*\* reported that higher energy costs and higher interest rates will contribute to a slowdown in farm machinery, factory equipment, and new building construction. It also reported expecting some growth in bridge and highway construction and railcar manufacturing. \*\*\* producer questionnaire, response to question IV-B-27.

<sup>24</sup> “Berg planning to build 180,000 ton large-diameter welded pipe mill.” American Metal Market, July 26, 2006, found at [http://amm.com/wrappers/story.asp?file=/2006-07-26\\_19-49-23.xml](http://amm.com/wrappers/story.asp?file=/2006-07-26_19-49-23.xml), retrieved September 20, 2006. “A big backlog and even bigger potential in large-diameter pipe.” American Metal Market, September 8, 2006, found at [http://amm.com/2006-09-08\\_18-47-24.html](http://amm.com/2006-09-08_18-47-24.html), retrieved September 20, 2006.

<sup>25</sup> \*\*\*. Mittal’s prehearing brief, pp. 43-45 and confidential exhibit 1. In addition, the joint respondent interested parties submitted numerous reports and news articles on demand in various end use segments in their prehearing brief, exhibit 5. In a September 2006 presentation for the Metals Service Center Institute Economic Summit Forecast 2007, domestic producers reported that demand in all end-use segments is expected to remain strong and that demand in 2007 is expected to be “a little less” than in 2006. IPSCO and Oregon’s posthearing brief, exhibit 5. IPSCO reported that demand growth is at a high level now and will continue at that level or perhaps a slightly lower level, particularly for energy, transportation, and construction equipment. Hearing transcript, pp. 111-113 (Tulloch). Nucor reported that it expects lower volume and prices in 2007, particularly due to slower demand growth in heavy equipment, capital goods, and machinery. Hearing transcript, p. 114 (McFadden). Oregon reported that it expects the large diameter pipe market to be strong over the next year and a half and that overall demand from service centers will be down in 2007. Hearing transcript, pp. 114-115 (Montross). Mittal reported that it expects 2007 to be about the same as 2006 for CTL plate. Hearing transcript, p. 116 (Insetta).

<sup>26</sup> Reports from earlier in 2006 suggested that the U.S. market for CTL plate has reportedly been buoyed by bridge and highway construction, heavy equipment, barge building, shipbuilding, and the continued strength of the energy market. Indications at the time were that the CTL plate market would remain strong throughout 2006 and potentially beyond. “Carbon plate prices firm as demand holds steady.” American Metal Market, June 14, 2006, found at [http://amm.com/2006-06-13\\_13-48-34.html](http://amm.com/2006-06-13_13-48-34.html), retrieved September 1, 2006. More recently, IPSCO reported that strong demand conditions are expected to extend into 2007, not only from the energy sector, but also from the production of barges, ships, and railcars. “Strong North American Plate Demand Expected to Continue.” Steel Business Briefing, October 11, 2006, in Brazilian respondent interested parties’ posthearing brief, exhibit 2.

<sup>27</sup> Purchasers who distribute or resell CTL plate listed oil and gas fabricators, shipbuilders, storage tank and structural fabricators, heavy machinery and equipment manufacturers, machine shops, processing service centers, (continued...)



Table CTL-II-3

CTL plate: Shipments by market, 2005<sup>1</sup>

Market	Share of quantity (percent)
Construction	54.1
Steel service centers and distributors <sup>2</sup>	25.0
Rail transportation	8.7
Machinery, industrial equipment, and tools	6.1
Oil and gas	2.8
Shipbuilding and marine equipment	2.7
Electrical and agricultural equipment	0.5
Other	0.1
<sup>1</sup> Data are for calendar year 2005 and include only classified shipments as reported by AISI reporting companies. <sup>2</sup> Data are not available from AISI on the end-use markets of shipments from service centers and distributors.  Source: American Iron & Steel Institute, 16C Report, Shipments of Steel Products by Market Classification, Carbon Steel, Report AIS 16C, 2005.	

When asked if there had been any changes in the end uses of CTL plate since 2000, one producer reported that there have been increased shipments to pole and tower markets; one importer reported that there are more uses for thick CTL plates; one importer reported that there has been increased use of CTL plate for armor in the Iraq war; one purchaser reported that there was a new ship design introduced in 2001 to use millimetric plate; one purchaser reported that a cone crusher plant closed in 2004; and one producer and one purchaser reported that, beginning in 2003-04, CTL plate is being used to manufacture wind towers.

Thirteen of the 16 responding purchasers who are end users reported that the demand for their firms' final products that use CTL plate changed since 2000, with most citing increases in demand for these final products. In identifying the major factors that contributed to the demand changes, purchasers reported that such things as a growing U.S. economy, increased pipeline construction, new ship designs, and expanded product lines were factors.

Twenty-two of 36 responding purchasers reported that the specifications of CTL plate vary depending on the end-use application. Eight purchasers described the different standards set by such organizations as ASTM (American Society for Testing and Materials), ASME (American Society of Mechanical Engineers), AAR (Association of American Railroads), FRA (Federal Railroad Administration), API (American Petroleum Institute), and ABS (American Bureau of Shipping). \*\*\* reported that OEMs have specific grades relative to their needs; \*\*\* reported that bridges use grades that vary with state requirements; \*\*\* reported that there are differences in the steel intended for laser applications; \*\*\* reported that mining and heavy construction equipment manufacturers have their own specifications; and \*\*\* reported that there are differences between high-strength and commercial grades and that there are certain applications that require abrasion resistance.

Thirteen of the 19 responding producers and 10 of the 14 responding importers reported that the CTL plate market is not subject to business cycles or conditions of competition distinctive to CTL plate,

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<sup>27</sup> (...continued)

and railcar and other transportation-related manufacturers as consumers of their CTL plate.

and only one producer and two importers reported that the emergence of new markets has affected the business cycle or conditions of competition distinctive to CTL plate.<sup>28</sup>

Twenty-one purchasers reported that the CTL plate market is not subject to business cycles or conditions of competition distinctive to CTL plate. Among the 14 purchasers reporting that the market is subject to distinct business cycles or conditions of competition, six reported that some specific end-use markets influence the overall business cycle of the CTL plate market. Others reported that raw material costs, import/export dynamics, or the limited number of suppliers in the world are factors that affect the overall business cycle for the CTL plate market. Only six responding purchasers reported that the emergence of new markets for CTL plate since 2000 has affected the business cycle or conditions of competition distinctive to CTL plate, with two citing increased consumption in industrializing nations, one citing increased demand for military applications, one citing the rebuilding activities after the 2005 hurricanes, and one citing the push for new oil and gas pipelines.

Purchasers were asked whether their purchasing patterns for CTL plate from domestic, subject, and nonsubject sources had changed since 2000. Five purchasers reported that their U.S. purchases have increased since 2000, citing such factors as competitive pricing, a weak U.S. dollar, and growth in the CTL business or specific product lines. Two purchasers reported increased German purchases due to increased German production and the lack of available U.S. CTL plate. Other purchasers reported decreased purchases from Finland, Poland, Spain, and the United Kingdom, due to such factors as the antidumping duties, the lack of availability, or uncompetitive pricing. Twelve purchasers reported that their purchasing patterns are largely unchanged.

Thirteen purchasers reported purchasing from subject sources before the years that the countervailing/antidumping duties under review became effective. Six purchasers reported that their purchasing pattern from subject countries is essentially unchanged; five reported that they reduced or discontinued their purchases from subject countries because of the orders; and two reported that they changed the pattern of purchases from subject countries for other reasons, specifically because the firm was doing less business or that the product was no longer offered and was not competitively priced.

Fourteen purchasers reported that they did not purchase from nonsubject sources before or after the orders; 13 reported that their purchasing pattern from nonsubject sources was essentially unchanged; 6 changed their purchasing pattern for reasons other than the orders; and 2 increased their purchases from nonsubject countries because of the orders.

## **Substitute Products**

While there are reported substitutes for CTL plate, the potential for substitution is often limited by the end use, as well as such factors as width, thickness, strength, and price. Concrete, alloy plate, aluminum, ceramic, fiberglass, plastics, castings, and wood were listed as substitutes for CTL plate in certain applications. Five producers, 3 importers, and 19 purchasers reported that there are no substitutes for CTL plate. When asked if there have been any changes in the number or type of products that can be substituted for CTL plate, \*\*\* reported that the product in coils has been getting more sophisticated at the expense of CTL plate and that they expect the trend to continue. One purchaser reported that substitutes have been gaining market share due to increased steel costs and also reported that because of the high price of CTL plate, it expects the substitute products to continue gaining market share. Another purchaser also expects substitute products to gain market share if the price of steel increases in the future. The other

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<sup>28</sup> IPSCO reported that the industry is three years into a capital-spending cycle that others expect to last five to seven years in total; however, due to global changes in the steel industry, it is difficult to look at historical analysis in terms of the business cycle. Hearing transcript, p. 217 (Tulloch). Mexican respondent interested parties reported that the current cycle is unusual in that all of the end use segments have grown at the same time. Hearing transcript, pp. 323-324 (Maleshevich).

importers and purchasers, as well as all of the producers, reported that there have been no changes in the number or type of substitutes, nor do they expect any changes in the future.

### **Cost Share**

CTL plate often accounts for a relatively large percentage of the total cost of end-use products, although the cost share does vary widely, depending on the end use. Purchasers reported that CTL plate accounts for between 5 and 100 percent of the total cost of the end products in which CTL plate is used. In wind turbine towers and bridge girders, CTL plate reportedly represents 100 percent of the total cost of the end product, whereas in barges, offshore platforms, and other bridge components, CTL plate represents 50 percent. According to purchasers, CTL plate represents 5 percent of the total cost of trucks and tractors, 5 to 10 percent of the cost of construction and forestry equipment, 5 to 20 percent of the total cost of bearings, 40 percent of the total cost of railroad tank cars, 42 percent of the total cost of steel plate burnouts, and 45-65 percent of the total cost of tubular transmission poles. Producers reported that CTL plate represents less than 15 percent of the total cost of pressure vessels, 12 to 18 percent of the total cost of ships, 18 to 75 percent of the total cost of railcars, and 70 percent of the total cost of utility poles and storage tanks.

### **Demand Outside the United States**

Producers, importers, and purchasers also were asked how demand for CTL plate outside the United States has changed since 2000. Ten producers, 7 importers, and 21 purchasers reported that demand outside the United States increased, citing factors such as rapidly increasing demand in China and other industrializing countries in Asia and Latin America; the economic recovery in Japan; increased shipbuilding, mining, and oil and gas exploration; increased investment; improvements to infrastructure; the relocation of manufacturing activities outside of the United States; and global economic growth.<sup>29</sup>

One producer and two purchasers reported that demand outside the United States was unchanged. Two producers, one importer, and one purchaser reported that demand outside the United States has varied, with both increases and decreases during the period.<sup>30</sup>

## **SUBSTITUTABILITY ISSUES**

The degree of substitution between domestic and imported products depends upon such factors as relative prices, quality, and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there may be some differences between domestic and imported CTL plate, but overall, there is a moderate to high degree of substitution between CTL plate produced in the United States and the subject countries and other import sources.

This section is based primarily on the responses of 39 purchasers that accounted for approximately 25.3 percent of total consumption in 2005. Twenty-three purchasers described themselves

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<sup>29</sup> Demand for CTL plate is expected to grow steadily through 2010 in China, the Pacific Basin, and ex-communist countries, as defined by \*\*\*. IPSCO and Oregon's posthearing brief, exhibit 10. \*\*\*. Mittal's prehearing brief, confidential exhibit 1. \*\*\*. Nucor's prehearing brief, exhibit 4.

<sup>30</sup> Corus reported that demand will remain strong in the oil and gas sector, as well as for infrastructure, especially in Asia, India, and the Middle East. Corus' response to the notice of institution, p. 8. In addition, demand for oil and gas transmission lines and platforms, as well as naval construction, is expected to remain strong in Brazil. Brazilian respondent interested parties' prehearing brief, exhibit 1 and response to the notice of institution, pp. 18-19.

as distributors,<sup>31</sup> 14 as end users,<sup>32</sup> and 2 as processors. When asked to indicate the nature of the firm's business or the market in which they sell CTL plate (allowing for multiple selections), 21 purchasers indicated construction, 15 indicated heavy machinery and equipment, 10 indicated shipbuilding, and 6 indicated oil and gas. Purchasers reported being involved in other markets, including automotive, transportation, agriculture, and power transmission. Purchasers tended to purchase primarily from U.S., German, and nonsubject sources, with none reporting purchases from Spain (*see* table CTL-II-4).

**Table CTL-II-4**

**CTL plate: Purchased quantities in short tons, by country and by year, 2000-05 and January-June 2006<sup>1</sup>**

Country	2000	2001	2002	2003	2004	2005	Jan.-June 2006
United States	1,491,854	1,458,979	1,533,678	1,552,520	1,736,605	1,654,782	948,026
Belgium	***	***	***	***	***	***	***
Brazil	***	***	***	***	***	***	***
Finland	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***
Poland	***	***	***	***	***	***	***
Romania	***	***	***	***	***	***	***
Sweden	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***
United Kingdom	***	***	***	***	***	***	***
Nonsubject <sup>2</sup>	160,985	108,202	113,070	77,432	101,993	109,686	91,525

Note.--Not all purchasers reported data for each year.

<sup>1</sup> \*\*\* did not provide data, \*\*\* purchases are estimates based on its knowledge of country of origin, and \*\*\* reported that it buys small amounts from nonsubject countries but could not report the data.

<sup>2</sup> Nonsubject countries include Australia, Bulgaria, Canada, China, the Czech Republic, Egypt, France, Hungary, Indonesia, Italy, Korea, Luxembourg, Malaysia, Norway, Russia, South Africa, Thailand, and Ukraine.

Source: Compiled from data submitted in response to Commission questionnaires.

When asked if imported and domestically produced CTL plate are used in the same applications, 20 purchasers reported that they are generally used in the same applications, as long as the CTL plate conforms to standards or the purchaser's specifications. Some purchasers reported that customers require U.S.-produced CTL plate, and others reported that interchangeability is limited by chemical composition and intended end use.

<sup>31</sup> Purchasers who described themselves as distributors reported selling CTL plate to OEMs and to various construction and manufacturing end users.

<sup>32</sup> Purchasers who described themselves as end users reported that they use CTL plate to manufacture such items as railroad tank cars, offshore platforms, ships, bridge components, barges, bearings, steel transmission poles, and agricultural, construction, mining, and forestry equipment.

Purchasers of CTL plate tend to buy frequently, and many have changed suppliers since 2000. Twenty-three of the 39 responding purchasers reported that they purchase daily or weekly, with seven purchasing monthly and four on an as-needed basis. Four purchasers reported that they purchase quarterly and one reported purchasing annually. Four purchasers reported that they expect this purchasing pattern to change in the next two years, with two reporting that they will buy more frequently and one reporting that it will no longer buy CTL plate. Twenty-four purchasers reported that the quantity purchased is generally consistent throughout the year. Nine purchasers reported that their purchases are somewhat seasonal, with one reporting that purchases are dependent on the construction industry, one reporting that purchases are concentrated at the beginning of the federal government's fiscal year, and two reporting that July and December are slower months. Twenty of the 38 responding purchasers reported changing suppliers since 2000; nine of the changes resulted from mergers, consolidations, bankruptcies, and new mills starting within the industry.<sup>33</sup>

### Factors Affecting Purchasing Decisions

Purchasers were asked to identify the three major factors considered by their firm in deciding from whom to purchase CTL plate (table CTL-II-5). Price and quality were the most commonly cited factors overall. Twelve of the 38 responding purchasers reported that quality was the most important factor, and 11 reported that price was the most important factor. The next most commonly cited factors were availability, delivery and service, product meets industry standards, product range, and reliability.

**Table CTL-II-5**

**CTL plate: Most important factors in selecting a supplier, as reported by purchasers**

Factor	First	Second	Third
Quality	12	9	7
Price	11	13	12
Availability	8	6	6
Product meets industry standards or specifications	3	0	0
Reliability	1	1	0
Delivery/service	0	9	3
Product range	0	1	2
Other	4	0	9
Note.--Other category includes qualification of supplier, domestic supplier, traditional supplier, material properties, extension of credit, supplier performance/track record, supplier capabilities, size of material, contracts, consistency, transportation costs, and research and development.			
Source: Compiled from data submitted in response to Commission questionnaires.			

Purchasers were asked what factors determined the quality of CTL plate. Factors cited included surface quality, flatness, dimensional tolerance, strength, durability, consistency, gauge control, weldability, chemical and physical properties, and edge quality. Eighteen purchasers cited the necessity of meeting the firm's specifications or meeting ASTM, API, or another of the various industry standards.

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<sup>33</sup> For example, Gulf States Steel halted plate production in late 2000; Nucor began production at a new plate mill in North Carolina in late 2000; IPSCO began production at a new plate mill in Alabama in early 2001; and Geneva Steel halted plate production in 2001.

Twenty-nine of the 39 responding purchasers reported that they require suppliers to become certified or prequalified and that these requirements applied to all, or nearly all, of their 2005 purchases.<sup>34</sup> Most of the requirements consist of standards set by independent organizations, such as the ASTM, ISO, and ASME. Other purchasers perform audits and mill inspections or require product samples for testing or trial runs.

Purchasers were asked if they always, usually, sometimes, or never purchased the lowest-priced CTL plate. Nineteen of the 37 responding purchasers reported always or usually purchasing the lowest-priced product and 13 sometimes purchased the lowest-priced CTL plate. Of those who reported sometimes or never purchasing the lowest-priced product, availability, quality, lead times, reliability, and logistics were factors cited as to why price is not a controlling factor.<sup>35</sup> Some purchasers reported that the importance of buying from a domestic supplier was a factor in buying a higher priced product.

Purchasers also were asked if they purchased CTL plate from one country in particular. Eighteen purchasers responded, reporting reasons why they purchased from one country in particular. Reasons provided included “Buy American” requirements or preferences, government work that requires a domestic supplier, logistics, quality, and customers who specify a specific supplier. \*\*\* reported that it orders CTL plate from Norway for the universal plates that are rolled to metric dimensions; \*\*\* reported that Germany has a patented material with a unique composition; and \*\*\* reported that abrasion-resistant material is only available from Canada, Germany, and Sweden. Twelve purchasers reported that certain grades, types, or sizes of CTL plate are available only from a single source; with nine reporting that certain widths or types are available from only one domestic mill and one reporting that larger and heavier plate is only available from a French supplier.

In rating the importance of 20 factors in their purchasing decisions (table CTL-II-6), all 39 responding purchasers rated availability as very important; 37 reported that reliability of supply was very important; 35 reported that delivery time and price were very important; 34 reported that quality meets industry standards was very important; and 31 reported that product consistency was very important.

Purchasers were asked for a country-by-country comparison of the same 20 factors. Five purchasers completed this comparison for the United States and Germany, one for the United States and Mexico, one for the United States and Poland, one for the United States and Sweden, and seven for the United States and nonsubject countries (table CTL-II-7).<sup>36</sup> The majority of purchasers stated that the domestic and German products were generally comparable; however, the U.S. product was reported to be superior for delivery time and proximity of supplier, and the German product was reported to be superior for quality exceeds industry standards. The one responding purchaser reported that the U.S. product was generally comparable or superior to the product from Mexico. The one responding purchaser reported that the U.S. product was generally comparable or superior to the Polish product, with the exception of a lower price, where the purchaser found the Polish product to be superior. The one responding purchaser reported that the U.S. product was generally comparable or superior to the Swedish product, with the exception of finish/appearance and product consistency, where the purchaser found the Swedish product to be superior. Purchasers generally found the U.S. product to be comparable or superior to the product from nonsubject countries.

Thirty-two purchasers reported factors they considered in qualifying a new supplier. Factors considered included quality, price, availability, reliability, service, delivery, surface finish, dimensional

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<sup>34</sup> \*\*\* reported that only 1 percent of its total purchases of CTL plate in 2005 required some form of certification or prequalification.

<sup>35</sup> \*\*\* reported that in order for it to buy from foreign sources, the price must be significantly less than the price of the U.S. product in order to overcome problems with logistics and lead times, and \*\*\* reported that the antidumping duties are a factor.

<sup>36</sup> See appendix K of this report for additional country comparisons.

control, location, supplier reputation, and meeting ASTM or ISO standards. The time required to qualify a new supplier was reported by 14 purchasers and ranged from a few minutes or hours to two years.

Purchasers were asked if any suppliers had failed to qualify their product or lost their approved status. \*\*\* reported that \*\*\* had failed to qualify; \*\*\* reported that \*\*\* had problems with \*\*\*, \*\*\* reported that \*\*\* and several suppliers in China had failed to qualify due to quality reasons; \*\*\* reported that a producer in Thailand failed to \*\*\*, \*\*\* reported that \*\*\* and a supplier in Ukraine failed to qualify due to quality issues; \*\*\* reported that \*\*\* had failed due to \*\*\*, and \*\*\* reported that \*\*\* had failed to qualify.

**Table CTL-II-6**

**CTL plate: Importance of purchase factors, as reported by purchasers**

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Availability	39	0	0
Contract with supplier	14	15	10
Delivery terms	23	15	0
Delivery time	35	4	0
Discounts offered	12	21	6
Extension of credit	14	11	14
Finish/appearance	23	14	1
Minimum quantity requirements	9	17	13
Packaging	5	18	16
Price	35	4	0
Product consistency	31	7	0
Product range	16	18	5
Proximity of supplier	7	19	13
Qualification for certain applications	19	17	3
Quality meets industry standards	34	3	1
Quality exceeds industry standards	17	14	8
Reliability of supply	37	1	0
Technical support/service	18	19	2
Traditional supplier	12	19	8
U.S. transportation costs	15	23	1
Note.--Not all purchasers responded for each factor.			
Source: Compiled from data submitted in response to Commission questionnaires.			

Table CTL-II-7

CTL plate: Comparisons of product by source country, as reported by purchasers<sup>1</sup>

Factor	U.S. vs Germany			U.S. vs Mexico			U.S. vs Poland		
	S	C	I	S	C	I	S	C	I
	<i>Number of firms responding</i>								
Availability	2	2	1	1	0	0	1	0	0
Contract with supplier	1	2	0	1	0	0	1	0	0
Delivery terms	1	3	0	1	0	0	1	0	0
Delivery time	3	2	0	1	0	0	1	0	0
Discounts offered	0	4	0	0	1	0	1	0	0
Extension of credit	0	5	0	0	1	0	0	1	0
Finish/appearance	0	4	1	1	0	0	0	1	0
Minimum quantity requirements	1	4	0	0	1	0	1	0	0
Packaging	0	5	0	0	1	0	0	1	0
Price <sup>2</sup>	0	4	1	0	1	0	0	0	1
Product consistency	0	4	1	1	0	0	0	1	0
Product range	0	3	2	1	0	0	1	0	0
Proximity of supplier	5	0	0	1	0	0	1	0	0
Qualification for certain applications	0	3	2	1	0	0	0	1	0
Quality meets industry standards	0	5	0	0	1	0	0	1	0
Quality exceeds industry standards	0	2	3	1	0	0	0	1	0
Reliability of supply	0	3	2	1	0	0	1	0	0
Technical support/service	2	1	2	1	0	0	1	0	0
Traditional supplier	1	2	1	1	0	0	0	1	0
U.S. transportation costs <sup>2</sup>	0	5	0	0	1	0	1	0	0

Table continued on next page.



Table CTL-II-7--Continued

CTL plate: Comparisons of product by source country, as reported by purchasers<sup>1</sup>

Factor	U.S. vs Sweden			U.S. vs nonsubject <sup>3</sup>		
	S	C	I	S	C	I
	<i>Number of firms responding</i>					
Availability	1	0	0	4	3	0
Contract with supplier	1	0	0	1	6	0
Delivery terms	0	1	0	3	4	0
Delivery time	1	0	0	5	2	0
Discounts offered	0	1	0	1	5	1
Extension of credit	0	1	0	0	7	0
Finish/appearance	0	0	1	0	6	1
Minimum quantity requirements	0	1	0	1	6	0
Packaging	0	1	0	0	6	1
Price <sup>2</sup>	1	0	0	1	3	1
Product consistency	0	0	1	0	6	1
Product range	1	0	0	3	3	0
Proximity of supplier	1	0	0	5	2	0
Qualification for certain applications	0	1	0	0	7	0
Quality meets industry standards	0	1	0	0	7	0
Quality exceeds industry standards	0	1	0	0	6	1
Reliability of supply	0	1	0	4	3	0
Technical support/service	0	1	0	3	3	1
Traditional supplier	0	1	0	3	4	0
U.S. transportation costs <sup>2</sup>	0	1	0	3	4	0

<sup>1</sup> No purchaser completed the comparison for the United States and Belgium, Brazil, Finland, Mexico, Romania, Spain, Sweden, Taiwan, or the United Kingdom. Five purchasers completed the comparison for the United States and "all foreign countries" (see appendix K).

<sup>2</sup> A rating of "S" on price and U.S. transportation costs indicates that this country has lower prices/costs than the other country.

<sup>3</sup> Nonsubject countries include Italy, Korea, Norway, Russia, Thailand, and Ukraine.

Note.--S=first-listed country's product is superior; C=both countries' products are comparable; I=first-listed country's product is inferior.

Note.--Not all purchasers responded for every factor.

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers were asked how often they and their customers make purchasing decisions involving CTL plate based on the producer of the product they purchase and based on the country of origin of the CTL plate they purchase. Their responses are summarized in the following tabulation:

Factor	Always	Usually	Sometimes	Rarely/never
Firm purchases based on producer?	10	13	6	10
Customers purchase based on producer?	2	9	14	13
Firm purchases based on country of origin?	7	4	7	21
Customers purchase based on country of origin?	1	5	11	20

When asked how the firm or its customers determine the source, some purchasers reported that they require the name of the mill prior to the purchase, monitor the track record of the mill, require documentation for traceability, require test results, and require domestic product by law or by preference. When asked why the information is important, purchasers reported that such things as quality, availability, delivery, logistics, reliability, and price may vary by supplier. \*\*\* reported that some producers create a laser-friendly product, \*\*\* reported that only three U.S. mills produce wide plate and that only one mill produces it in sufficient quantities, and \*\*\* reported that many oil companies have origin restrictions for the CTL plate they buy.

Purchasers were asked if buying a product that is produced in the United States is an important factor in their purchases of CTL plate. Twenty-three of the 38 responding purchasers reported that it was, with most saying that purchases of the domestic product are either required by law or regulation or required by customers. Thirteen purchasers reported that this generally involved a range from less than 1 percent to 30 percent of their purchases of CTL plate, and five purchasers reported that this involved 70 percent or more of their purchases.

Purchasers also were asked how often domestically produced, subject imports, and nonsubject imports of CTL plate meet minimum quality specifications. Their responses are summarized in the following tabulation:

Source	Always	Usually	Sometimes	Never
Domestically produced	21	15	0	0
Subject imports	5	13	2	0
Nonsubject imports - Russia	3	2	0	0
Nonsubject imports - Thailand	2	2	0	0
Nonsubject imports - Ukraine	2	2	0	0
Nonsubject imports - Canada	0	4	0	0

Of the 12 purchasers who reported being aware of new suppliers in the market since 2000, eight cited domestic mills having entered the market and three cited entries from Malaysia and Thailand. Ten of the 12 reported having purchased from one of the new suppliers cited. Only six responding purchasers expect new CTL plate suppliers to enter the market in the future, with one reporting that AHMSA of Mexico is expected to add a new mill and capacity in 2007.<sup>37</sup>

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<sup>37</sup> AHMSA reported that its capacity expansion will not be operational before 2009, if at all. AHMSA's posthearing brief, pp. 1 and 3-4.

## Lead Times

Nine of the 17 responding producers<sup>38</sup> reported selling at least 90 percent of their CTL plate produced to order, with lead times ranging from 3 to 15 weeks.<sup>39</sup> Five producers reported selling at least 70 percent of their CTL plate from inventory, with lead times from two days to one week. The other three producers reported a relatively even split between selling from inventory and producing to order.

All seven responding importers reported selling at least 95 percent of their CTL plate produced to order, with lead times ranging from three to six months.

Ten producers reported offering just-in-time or similar inventory services for CTL plate customers in the United States. \*\*\* reported having a standard plate program of popular sizes and grades, and \*\*\* reported providing a 48-hour order-to-ship service. Three of the 14 responding importers reported offering these types of services.

## Comparisons of Domestic Products, Subject Imports, and Nonsubject Imports

Producers, importers, and purchasers were asked to assess how interchangeable CTL plate from the United States is with CTL plate from both subject and nonsubject countries. Their answers are summarized in table CTL-II-8. Generally, producers, importers, and purchasers reported that CTL plate from the United States and from other countries are always or frequently interchangeable.<sup>40</sup> For those firms that reported that CTL plate is sometimes or never used interchangeably, they were asked to explain the factors that preclude interchangeable use. \*\*\* reported that German producers focus on quality and niches and that long-term relationships are key. \*\*\* reported that differences arise with Mexican, Polish, Romanian, and Taiwan CTL plate due to size, surface finish, and quality issues. Reported factors cited by purchasers included different levels of quality and country of origin requirements. \*\*\* reported that certain mills are limited in production capabilities, such as size, thickness, and grade; \*\*\* reported that meeting quality requirements is mill-specific, not country-specific; \*\*\* reported that Mexico and Romania cannot produce the full range of products required in the U.S. market; and \*\*\* reported that Germany produces a patented material that has a unique composition.

Producers and importers were asked to assess how often differences other than price were significant in sales of CTL plate from the United States, subject countries, and nonsubject countries (table CTL-II-9). Generally, producers said differences other than price were never significant, while importers said differences other than price were sometimes or never significant. For those firms that reported that factors other than price are always or frequently a significant factor in their sales of CTL plate, they were asked to explain the advantages or disadvantages imparted by such factors. \*\*\* reported that lead times are a factor, and \*\*\* reported that CTL plate from the Ukraine has problems with quality and gauge control, as well as transportation issues. Importers cited factors such as size and product ranges, quality, shipment, and technical support. \*\*\* reported that non-price factors depended on the grade of CTL plate and that with more sophisticated grades, the interchangeability factor drops.

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<sup>38</sup> \*\*\* reported a lead time of three to five days for goods produced to order.

<sup>39</sup> Caterpillar reported that in 2006, it has faced lead times from \*\*\* for standard CTL plate and \*\*\* for heavy (thick) plate. Caterpillar's posthearing brief, p. 2.

<sup>40</sup> Large numbers of producers, importers, and purchasers reported that they had no familiarity with imports from all or most of the subject countries.

Table CTL-II-8

**CTL plate: U.S. producers', importers', and purchasers' perceived degree of interchangeability of products produced in the United States and in other countries<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers					U.S. purchasers <sup>2</sup>				
	A	F	S	N	0	A	F	S	N	0	A	F	S	N	0
U.S. vs. Belgium	8	2	0	0	4	5	0	1	0	6	6	3	2	0	15
U.S. vs. Brazil	8	2	0	0	4	5	1	0	0	6	3	5	4	0	14
U.S. vs. Finland	8	2	0	0	4	5	1	0	0	6	5	2	1	0	18
U.S. vs. Germany	8	2	0	0	4	5	1	0	0	7	5	5	3	1	13
U.S. vs. Mexico	8	3	0	0	3	3	4	0	0	5	3	2	5	0	16
U.S. vs. Poland	8	2	0	0	4	3	1	1	0	7	3	2	4	0	17
U.S. vs. Romania	8	2	0	0	4	3	1	2	0	6	3	4	4	0	15
U.S. vs. Spain	8	2	0	0	4	3	1	0	0	8	4	2	2	0	18
U.S. vs. Sweden	8	2	0	0	4	5	0	0	0	7	5	4	2	0	15
U.S. vs. Taiwan	8	2	0	0	4	4	0	1	0	7	3	2	4	0	17
U.S. vs. United Kingdom	8	2	0	0	4	4	0	0	0	8	5	2	3	0	16
U.S. vs. other countries	7	3	0	0	3	3	6	1	0	2	4	7	4	1	11
Belgium vs. Brazil	8	1	0	0	5	4	1	0	0	6	3	2	1	0	17
Belgium vs. Finland	8	1	0	0	5	4	1	0	0	6	4	2	0	0	17
Belgium vs. Germany	8	1	0	0	5	4	0	0	0	7	4	2	0	1	16
Belgium vs. Mexico	8	1	0	0	5	3	2	0	0	6	3	2	1	0	17
Belgium vs. Poland	8	1	0	0	5	3	1	0	0	7	3	2	1	0	17
Belgium vs. Romania	8	1	0	0	5	3	1	1	0	6	3	2	1	0	17
Belgium vs. Spain	8	1	0	0	5	3	1	0	0	7	4	2	0	0	17
Belgium vs. Sweden	8	1	0	0	5	4	0	0	0	7	4	2	0	0	17
Belgium vs. Taiwan	8	1	0	0	5	4	0	0	0	7	3	2	1	0	17
Belgium vs. United Kingdom	8	1	0	0	5	4	0	0	0	7	4	2	0	0	17
Belgium vs. other countries	7	1	0	0	5	3	2	1	0	5	3	1	1	0	17
Brazil vs. Finland	8	1	0	0	5	4	1	0	0	6	4	2	0	0	17
Brazil vs. Germany	8	1	0	0	5	4	0	0	0	7	4	2	0	1	16
Brazil vs. Mexico	8	1	0	0	5	4	1	0	0	6	3	2	1	0	17
Brazil vs. Poland	8	1	0	0	5	3	1	0	0	7	3	2	1	0	17
Brazil vs. Romania	8	1	0	0	5	3	1	0	0	7	3	2	1	0	17
Brazil vs. Spain	8	1	0	0	5	3	1	0	0	7	4	2	0	0	17
Brazil vs. Sweden	8	1	0	0	5	4	0	0	0	7	4	2	0	0	17

Table continued on next page.

**Table CTL-II-8--Continued**

**CTL plate: U.S. producers', importers', and purchasers' perceived degree of interchangeability of products produced in the United States and in other countries<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers					U.S. purchasers <sup>2</sup>				
	A	F	S	N	0	A	F	S	N	0	A	F	S	N	0
Brazil vs. Taiwan	8	1	0	0	5	4	0	0	0	7	3	2	1	0	17
Brazil vs. United Kingdom	8	1	0	0	5	4	0	0	0	7	4	2	0	0	17
Brazil vs. other countries	7	1	0	0	5	3	2	0	0	6	3	1	1	0	17
Finland vs. Germany	8	1	0	0	5	4	0	0	0	7	4	2	0	1	16
Finland vs. Mexico	8	1	0	0	5	3	2	0	0	6	3	2	1	0	17
Finland vs. Poland	8	1	0	0	5	3	1	0	0	7	3	2	1	0	17
Finland vs. Romania	8	1	0	0	5	3	1	0	0	7	3	2	1	0	17
Finland vs. Spain	8	1	0	0	5	3	1	0	0	7	4	2	0	0	17
Finland vs. Sweden	8	1	0	0	5	4	0	0	0	7	4	2	0	0	17
Finland vs. Taiwan	8	1	0	0	5	4	0	0	0	7	3	2	1	0	17
Finland vs. United Kingdom	8	1	0	0	5	4	0	0	0	7	4	2	0	0	17
Finland vs. other countries	7	1	0	0	5	3	2	0	0	6	3	1	1	0	17
Germany vs. Mexico	8	1	0	0	5	4	1	0	0	6	3	2	1	1	16
Germany vs. Poland	8	1	0	0	5	4	1	0	0	6	3	2	1	1	16
Germany vs. Romania	8	1	0	0	5	4	1	0	0	6	3	2	1	1	16
Germany vs. Spain	8	1	0	0	4	4	1	0	0	6	4	2	0	1	16
Germany vs. Sweden	8	1	0	0	4	4	1	0	0	6	4	2	0	1	16
Germany vs. Taiwan	8	1	0	0	4	4	0	0	0	7	3	2	1	1	16
Germany vs. United Kingdom	8	1	0	0	4	4	1	0	0	6	3	2	1	1	16
Germany vs. other countries	7	1	0	0	4	3	3	0	0	5	3	1	2	1	16
Mexico vs. Poland	8	1	0	0	4	3	0	1	0	7	4	2	0	0	17
Mexico vs. Romania	8	1	0	0	4	3	0	1	0	7	4	2	0	0	17
Mexico vs. Spain	8	1	0	0	4	3	0	1	0	7	4	2	0	0	17
Mexico vs. Sweden	8	1	0	0	4	3	1	0	0	7	4	2	0	0	17
Mexico vs. Taiwan	8	1	0	0	4	3	1	0	0	7	4	2	0	0	17
Mexico vs. United Kingdom	8	1	0	0	4	3	1	0	0	7	4	2	0	0	17
Mexico vs. other countries	7	1	0	0	4	3	2	0	0	6	3	1	1	0	17
Poland vs. Romania	8	1	0	0	4	3	0	1	0	7	4	2	0	0	17
Poland vs. Spain	8	1	0	0	4	3	0	1	0	7	4	2	0	0	17
Poland vs. Sweden	8	1	0	0	4	3	1	0	0	7	4	2	0	0	17

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**Table CTL-II-8--Continued**

**CTL plate: U.S. producers', importers', and purchasers' perceived degree of interchangeability of products produced in the United States and in other countries<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers					U.S. purchasers <sup>2</sup>				
	A	F	S	N	0	A	F	S	N	0	A	F	S	N	0
Poland vs. Taiwan	8	1	0	0	4	3	1	0	0	7	4	2	0	0	17
Poland vs. United Kingdom	8	1	0	0	4	3	1	0	0	7	4	2	0	0	17
Poland vs. other countries	7	1	0	0	4	3	2	0	0	6	4	1	0	0	17
Romania vs. Spain	8	1	0	0	4	3	0	1	0	7	4	2	0	0	17
Romania vs. Sweden	8	1	0	0	4	3	1	0	0	7	4	2	0	0	17
Romania vs. Taiwan	8	1	0	0	4	3	1	0	0	7	4	2	0	0	17
Romania vs. United Kingdom	8	1	0	0	4	3	1	0	0	7	4	2	0	0	17
Romania vs. other countries	7	1	0	0	4	3	2	1	0	5	4	1	0	0	17
Spain vs. Sweden	8	1	0	0	4	3	1	0	0	7	4	2	0	0	17
Spain vs. Taiwan	8	1	0	0	4	3	1	0	0	7	3	2	1	0	17
Spain vs. United Kingdom	8	1	0	0	4	3	1	0	0	7	4	2	0	0	17
Spain vs. other countries	7	1	0	0	4	3	2	0	0	6	3	1	1	0	17
Sweden vs. Taiwan	8	1	0	0	4	4	0	0	0	7	3	2	1	0	17
Sweden vs. United Kingdom	8	1	0	0	4	4	0	0	0	7	4	2	0	0	17
Sweden vs. other countries	7	1	0	0	4	3	2	0	0	6	3	1	1	0	17
Taiwan vs. United Kingdom	8	1	0	0	4	4	0	0	0	7	4	1	0	0	17
Taiwan vs. other countries	7	1	0	0	4	3	2	0	0	6	3	1	1	0	17
United Kingdom vs. other countries	7	1	0	0	4	3	2	0	0	6	3	1	1	0	17

<sup>1</sup> Producers, importers, and purchasers were asked if CTL plate produced in the United States and in other countries is used interchangeably.

<sup>2</sup> Three purchasers did not fill out the data grid but reported the following: \*\*\* reported it had no reason to believe CTL plate between countries was not fungible; \*\*\* reported that the CTL plate it buys is interchangeable; and \*\*\* reported that if the CTL plate is produced to the same specifications, all domestic and imported CTL plate is interchangeable.

Note.--“A” = Always, “F” = Frequently, “S” = Sometimes, “N” = Never, and “0” = No familiarity.

Source: Compiled from data submitted in response to Commission questionnaires.

Table CTL-II-9

CTL plate: U.S. producers' and importers' perceived importance of factors other than price in sales of product produced in the United States and in other countries<sup>1</sup>

Country comparison	U.S. producers					U.S. importers				
	A	F	S	N	O	A	F	S	N	O
U.S. vs. Belgium	0	2	0	8	4	1	2	1	1	3
U.S. vs. Brazil	0	2	0	8	4	1	0	2	1	4
U.S. vs. Finland	0	2	0	8	4	1	2	1	1	3
U.S. vs. Germany	0	2	0	8	4	1	1	1	1	4
U.S. vs. Mexico	0	3	0	8	3	1	1	2	1	3
U.S. vs. Poland	0	2	0	8	4	1	0	2	1	4
U.S. vs. Romania	0	2	0	8	4	1	1	2	1	3
U.S. vs. Spain	0	2	0	8	4	1	0	2	1	4
U.S. vs. Sweden	0	2	0	8	4	1	1	1	1	4
U.S. vs. Taiwan	0	2	0	8	4	1	0	1	1	5
U.S. vs. United Kingdom	0	2	0	8	4	1	1	1	1	4
U.S. vs. other countries	0	3	0	7	3	1	3	3	1	0
Belgium vs. Brazil	0	1	0	8	5	1	0	2	1	5
Belgium vs. Finland	0	1	0	8	5	1	2	1	1	4
Belgium vs. Germany	0	1	0	8	5	1	0	2	1	5
Belgium vs. Mexico	0	1	0	8	5	1	0	2	1	5
Belgium vs. Poland	0	1	0	8	5	1	0	2	1	5
Belgium vs. Romania	0	1	0	8	5	1	1	2	1	4
Belgium vs. Spain	0	1	0	8	5	1	0	2	1	5
Belgium vs. Sweden	0	1	0	8	5	1	1	1	1	5
Belgium vs. Taiwan	0	1	0	8	5	1	0	1	1	6
Belgium vs. United Kingdom	0	1	0	8	5	1	1	1	1	5
Belgium vs. other countries	0	1	0	7	5	1	2	2	1	3
Brazil vs. Finland	0	1	0	8	5	1	1	2	1	4
Brazil vs. Germany	0	1	0	8	5	1	0	2	1	5
Brazil vs. Mexico	0	1	0	8	5	1	1	1	1	5
Brazil vs. Poland	0	1	0	8	5	1	1	1	1	5
Brazil vs. Romania	0	1	0	8	5	1	1	1	1	5
Brazil vs. Spain	0	1	0	8	5	1	0	2	1	5
Brazil vs. Sweden	0	1	0	8	5	1	0	2	1	5

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**Table CTL-II-9--Continued**

**CTL plate: U.S. producers' and importers' perceived importance of factors other than price in sales of product produced in the United States and in other countries<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers				
	A	F	S	N	O	A	F	S	N	O
Brazil vs. Taiwan	0	1	0	8	5	1	0	1	1	6
Brazil vs. United Kingdom	0	1	0	8	5	1	0	2	1	5
Brazil vs. other countries	0	1	0	7	5	1	1	2	1	4
Finland vs. Germany	0	1	0	8	5	1	0	2	1	5
Finland vs. Mexico	0	1	0	8	5	1	0	2	1	5
Finland vs. Poland	0	1	0	8	5	1	0	2	1	5
Finland vs. Romania	0	1	0	8	5	1	0	2	1	5
Finland vs. Spain	0	1	0	8	5	1	0	2	1	5
Finland vs. Sweden	0	1	0	8	5	1	0	2	1	5
Finland vs. Taiwan	0	1	0	8	5	1	0	1	1	6
Finland vs. United Kingdom	0	1	0	8	5	1	0	2	1	5
Finland vs. other countries	0	1	0	7	5	1	1	2	1	4
Germany vs. Mexico	0	1	0	8	5	1	0	2	1	5
Germany vs. Poland	0	1	0	8	5	1	0	2	1	5
Germany vs. Romania	0	1	0	8	5	1	0	2	1	5
Germany vs. Spain	0	1	0	8	5	1	0	2	1	5
Germany vs. Sweden	0	1	0	8	5	1	1	1	1	5
Germany vs. Taiwan	0	1	0	8	5	1	0	1	1	6
Germany vs. United Kingdom	0	1	0	8	5	1	1	1	1	5
Germany vs. other countries	0	1	0	7	5	1	1	2	1	4
Mexico vs. Poland	0	1	0	8	5	1	1	1	1	5
Mexico vs. Romania	0	1	0	8	5	1	1	1	1	5
Mexico vs. Spain	0	1	0	8	5	1	0	2	1	5
Mexico vs. Sweden	0	1	0	8	5	1	0	2	1	5
Mexico vs. Taiwan	0	1	0	8	5	1	0	1	1	6
Mexico vs. United Kingdom	0	1	0	8	5	1	0	2	1	5
Mexico vs. other countries	0	1	0	7	5	1	1	2	1	4
Poland vs. Romania	0	1	0	8	5	1	1	1	1	5
Poland vs. Spain	0	1	0	8	5	1	0	2	1	5
Poland vs. Sweden	0	1	0	8	5	1	0	2	1	5

Table continued on next page.



**Table CTL-II-9--Continued**

**CTL plate: U.S. producers' and importers' perceived importance of factors other than price in sales of product produced in the United States and in other countries<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers				
	A	F	S	N	O	A	F	S	N	O
Poland vs. Taiwan	0	1	0	8	5	1	0	1	1	6
Poland vs. United Kingdom	0	1	0	8	5	1	0	2	1	5
Poland vs. other countries	0	1	0	7	5	1	1	2	1	4
Romania vs. Spain	0	1	0	8	5	1	0	2	1	5
Romania vs. Sweden	0	1	0	8	5	1	0	2	1	5
Romania vs. Taiwan	0	1	0	8	5	1	0	1	1	6
Romania vs. United Kingdom	0	1	0	8	5	1	0	2	1	5
Romania vs. other countries	0	1	0	7	5	1	2	2	1	3
Spain vs. Sweden	0	1	0	8	5	1	0	2	1	5
Spain vs. Taiwan	0	1	0	8	5	1	0	1	1	6
Spain vs. United Kingdom	0	1	0	8	5	1	0	2	1	5
Spain vs. other countries	0	1	0	7	5	1	1	2	1	4
Sweden vs. Taiwan	0	1	0	8	5	1	0	1	1	5
Sweden vs. United Kingdom	0	1	0	8	5	1	0	2	1	4
Sweden vs. other countries	0	1	0	7	5	1	1	2	1	3
Taiwan vs. United Kingdom	0	1	0	8	5	1	0	1	1	5
Taiwan vs. other countries	0	1	0	7	5	1	1	1	1	4
United Kingdom vs. other countries	0	1	0	7	5	1	1	2	1	3

<sup>1</sup> Producers and importers were asked if differences other than price between CTL plate produced in the United States and in other countries are a significant factor in their sales of the products.

Note.--"A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "O" = No familiarity.

Source: Compiled from data submitted in response to Commission questionnaires.

## **ELASTICITY ESTIMATES**

### **U.S. Supply Elasticity**

The domestic supply elasticity for CTL plate measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of CTL plate. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to and from production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced CTL plate. Earlier analysis of these factors indicates that the U.S. industry has a small to moderate ability to increase or decrease shipments to the U.S. market; an estimate in the range of 1 to 3<sup>41</sup> is suggested.<sup>42</sup>

### **U.S. Demand Elasticity**

The U.S. demand elasticity for CTL plate measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of CTL plate. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of CTL plate in the production of any downstream products. Based on the available information, the aggregate demand elasticity for CTL plate is likely to be in a range of -0.3 to -0.7.

### **Substitution Elasticity**

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.<sup>43</sup> Product differentiation, in turn, depends upon such factors as quality and conditions of sale. Based on available information concerning product range, quality, availability, and degree of substitution, the elasticity of substitution between domestic and subject CTL plate is likely to be in the range of 3 to 5 for all 11 subject countries.<sup>44</sup>

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<sup>41</sup> Within the range, there may be differences in terms of the domestic industry's ability to increase or decrease shipments of the many different types of CTL plate, from commodity grades up through specialty products.

<sup>42</sup> Joint respondent interested parties reported that they question the "highly implausible capacity utilization figures" reported by the domestic industry, and that the domestic supply elasticity more likely approaches 0. Joint respondent interested parties' prehearing brief, p. 23.

<sup>43</sup> The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

<sup>44</sup> Joint respondent interested parties reported that U.S. producers are unable or unwilling to produce specialty plate in quantities sufficient to satisfy domestic demand and that an elasticity of substitution of 0.5 to 2.5 is more appropriate for countries like Germany and the United Kingdom, whereas the range of 3 to 5 might be accurate for countries like Romania. Joint respondent interested parties' prehearing brief, p. 33.

## PART CTL-III: CONDITION OF THE U.S. INDUSTRY

The information in this section of the report was compiled from responses to the Commission's questionnaires. Fourteen mills and 10 processors,<sup>1</sup> which together accounted for the vast majority of U.S. production of CTL plate during the period for which data were collected, supplied information on their operations.<sup>2</sup> Staff also included previously-reported data from Geneva Steel, which filed for bankruptcy in February 1999, emerged from bankruptcy as Geneva Steel Holdings in January 2001, shut down its operations in December 2001, and filed for bankruptcy again in January 2002.

Table CTL-III-1 summarizes important industry events that have taken place since January 2000.

**Table CTL-III-1**

**CTL plate: Important industry events, January 2000-November 2006**

Year	Company	Description of event (merger, shutdown, bankruptcy, change in capacity)
2000	Gulf States Steel	<b>Closure:</b> While in Chapter 11 bankruptcy proceedings, mill closes and company is liquidated. The new owner subsequently announces plans to develop the property into an industrial park and sell the equipment to companies in China.
	LTV <sup>1</sup>	<b>Bankruptcy:</b> Files for Chapter 11 bankruptcy protection.
	Nucor	<b>New Mill:</b> Opens new plate mill in North Carolina.
2001	Geneva	<b>Closure:</b> Production of CTL plate halted.
	IPSCO	<b>New Mill:</b> Opens new plate mill in Alabama.
	Newport <sup>1</sup>	<b>Closure:</b> Ceases producing its own hot-rolled steel for pipe production.

Table continued on next page.

<sup>1</sup> In the first reviews, the Commission included processors within the definition of the domestic industry, consistent with the views expressed in its January 2000 investigations on CTL plate ( "We include all producers of CTL plate in the domestic industry, whether toll producers, integrated producers, or processors." *Certain Cut-to-Length Steel Plate From France, India, Indonesia, Italy, Japan, and Korea*, Invs. Nos. 701-TA-387-391 (Final) and 731-TA-816-821 (Final), USITC Publication 3273, January 2000, p. 10.) The Commission had reached a similar conclusion in the previous investigations involving CTL plate as well. *See Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, Invs. Nos. 731-TA-753-756, USITC Publication 3076, December 1997, p. 12.

As discussed in those investigations, processors invest a substantial amount of capital in relatively sophisticated processing operations, and account for a sizeable share of overall employment of the U.S. industry. In 2005, U.S. processors reported 874 production and related workers and capital expenditures of \$6.8 million. As in 2000, the manufacturing equipment and processes used by service centers to decoil and cut to length coiled plate is the same as that used by the domestic mills to produce CTL plate from coiled plate. While the Commission noted in 2000 that the overall value added by processors is small, the processing performed by the service centers converts coiled plate - a commodity that is not part of the domestic like product - into CTL plate.

<sup>2</sup> Three U.S. producers provided business plans and three provided internal documents that describe, discuss, or analyze future market conditions or market conditions if the orders were revoked.

Table CTL-III-1--Continued

CTL plate: Important industry events, January 2000-November 2006

Year	Company	Description of event (merger, shutdown, bankruptcy, change in capacity)
2002	Acme Steel <sup>1</sup>	<b>Bought Out:</b> In Chapter 11 bankruptcy protection, Acme is liquidated. International Steel Group (ISG) purchases and operates Acme's major assets.
	Gallatin Steel Co.	<b>Acquisition:</b> Purchases assets of Huntco Steel (a service center) in Ghent, KY, in order to process its own steel products.
	Geneva	<b>Bankruptcy:</b> Enters Chapter 7 bankruptcy proceedings.
	International Steel Group	<b>Acquisition:</b> Created by the acquisition of LTV and Acme Steel.
	Kentucky Electric Steel	<b>Closure:</b> Plant closes.
	LTV <sup>1</sup>	<b>Bought Out:</b> ISG purchases many of the assets of LTV (including the plate mill). LTV is liquidated.
	National Steel <sup>1</sup>	<b>Bankruptcy:</b> Files for Chapter 11 bankruptcy protection.
2003	Bethlehem	<b>Bought Out:</b> ISG purchases most of Bethlehem's assets, including the plate mills. Bethlehem Steel is liquidated.
	International Steel Group	<b>Acquisition, Capacity Expansion, Manufacturing Change:</b> Acquires Bethlehem Steel. Exchanges its pickle line at Indiana Harbor Works for U.S. Steel's Gary Works' plate mill but elects not to roll plate at Gary, instead directing raw steel to other facilities.
	Kentucky Electric Steel	<b>Bankruptcy:</b> Files for Chapter 11 bankruptcy protection. A newly formed entity, KES Acquisition Co. LLC, purchases the assets of Kentucky Electric Steel and restarts production in early 2004.
	National <sup>1</sup>	<b>Bought Out:</b> U.S. Steel purchases and operates substantially all of the assets. National is liquidated.
	Oregon Steel	<b>Manufacturing Change:</b> Idles melt shop in Portland, OR, and relies solely on purchased slabs for feedstock at that facility.
	U.S. Steel	<b>Acquisition, Capacity Reduction, Manufacturing Change:</b> Acquires the integrated steelmaking assets of National Steel and exchanges the assets of its CTL plate business, including the plate mill at Gary Works, for the assets of ISG's No. 2 pickle line at Indiana Harbor Works. U.S. Steel continues to produce plate in coils.
	WCI <sup>1</sup>	<b>Bankruptcy:</b> Enters Chapter 11 bankruptcy protection.
2004	Corus Tuscaloosa	<b>Bought Out:</b> Nucor purchases substantially all of Tuscaloosa's steelmaking assets.
	Kentucky Electric Steel	<b>Reopening:</b> Plant reopens.
	North Star	<b>Bought Out:</b> Cargill, Inc. (parent company of North Star) sells fixed assets and working capital of North Star to Gerdau Ameristeel.
	Nucor	<b>Acquisition:</b> Purchases substantially all of the steelmaking assets of Corus Tuscaloosa.
	Oregon Steel	<b>Manufacturing Change:</b> Idles pipe mill at Napa facility to focus on plate production.

Table continued on next page.

Table CTL-III-1--Continued

CTL plate: Important industry events, January 2000-November 2006

Year	Company	Description of event (merger, shutdown, bankruptcy, change in capacity)
2005	Citisteel / Claymont	<b>Bought Out:</b> H.I.G. Capital, a U.S.-based private equity and venture capital investment firm, acquires mill in June 2005. Citisteel now operates under the name Claymont Steel.
	ISG	<b>Bought Out, Capacity Expansion:</b> In April, shareholders of ISG approve the \$4.5-billion acquisition by Mittal Steel, a company based in the Netherlands. Also, Mittal Steel re-starts the 110-inch plate mill at Burns Harbor, IN (formerly ISG's mill) which had been idle since 2000.
	Kentucky Electric Steel	<b>Bought Out:</b> YouthStream Media Networks, Inc. acquired KES Acquisition Co., LLC, the owner and operator of Kentucky Electric Steel.
2006	Mittal	<b>Temporary Capacity Reduction:</b> Sparrows Point and Conshohocken mills both temporarily idled in June because of furnace issues. Both mills are fully operational, but in late October one of the Burns Harbor blast furnaces was idled due to a mishap. It is expected to be fully operational by mid-November.
	Oregon	<b>Purchase Offer:</b> Russian steel manufacturer Evraz to pay \$2.3 billion for Oregon, and will supply the U.S. operations with Russian slabs to be rolled into steel plate.
<sup>1</sup> While capable of producing strip mill plate, actual production of CTL plate is believed to be minimal.		
Source: AMM, Steel News, company websites and annual reports, and other press articles.		

### U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

As shown in table CTL-III-2, overall U.S. producers' capacity in 2005 was higher than in 2000.<sup>3</sup> Capacity fluctuated noticeably during the intervening years, however, reflecting mill openings, mill closures, and asset swaps among mills.<sup>4</sup> In 2000, Geneva Steel had the capacity to produce \*\*\* short tons of CTL plate. The closure of Geneva Steel in December 2001 removed this capacity from the U.S. plate market. Ultimately, Geneva's production assets were sold to a Chinese firm, Qindao Iron & Steel Company.<sup>5</sup> The effect on domestic capacity from this closure, however, was mitigated by the ramping up of production at Nucor's and IPSCO's facilities (discussed below). The decline in capacity from 2003 to 2004 can be attributed primarily to the idling of U.S. Steel's Gary Works plate mill, now owned by Mittal.<sup>6</sup> Production decreased between 2000 and 2001, recovered in 2002, then increased markedly in 2004. The trend was sustained in 2005, and production in January-June 2006 was higher than in January to June 2005, reflecting greater output by ten reporting mills and by eight reporting processors.

<sup>3</sup> Staff notes that data for 2000 and 2001 are slightly understated, as they do not include limited production by Gulf States Steel prior to its closure; the operations of Kentucky Electric Steel prior to its closure and subsequent acquisition; and the bar mills acquired by Gerdau Ameristeel. Kentucky Electric began production on January 26, 2004. There are no historical records detailing Kentucky Electric's CTL plate production prior to this date available to the Commission. Estimating production based on public records (e.g., 10-K statements) prior to the facility reopening is not possible due to the lack of detail of the product mix available in public reports. Staff telephone interview \*\*\*, August 24, 2006.

<sup>4</sup> Additionally, \*\*\*.

<sup>5</sup> Frank Haflich, *Geneva's assets slow sail to China; furnace sold back*, American Metal Markets, March 8, 2005, found at [http://www.amm.com/news-2005-03-08\\_14-15-22.html](http://www.amm.com/news-2005-03-08_14-15-22.html), retrieved August 15, 2005.

<sup>6</sup> This mill has been idle since it was acquired by Mittal. CTL plate hearing transcript, p. 132 (Fabina).

**Table CTL-III-2****CTL plate: U.S. capacity, production, and capacity utilization, 2000-05, January-June 2005, and January - June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
Capacity	10,086,195	10,382,440	10,600,470	11,138,353	10,629,073	10,793,425	5,370,412	5,524,993
Production	6,322,806	5,676,017	6,089,710	6,286,468	6,883,546	7,119,199	3,453,719	4,184,481
Capacity utilization (percent)	62.7	54.7	57.4	56.4	64.7	65.7	64.1	75.5
Note.—Capacity allocation for *** was based on a method devised by staff and approved by ***. *** supplied the Commission with overall CTL plate capacity and production of specified plate products. The ratios of the individual shares of overall production of the specified products were applied to overall capacity to estimate the shares of specified products' allocated capacity.								
Source: Compiled from data submitted in response to Commission questionnaires.								

After a steep decline between 2000 and 2001, capacity utilization generally increased over the period for which data were collected, and reached its highest level in January-June 2006 at 75.5 percent.<sup>7</sup> Mills' share of the domestic industry's CTL plate total capacity in 2005 was 64.9 percent, and accounted for 74.5 percent of CTL plate production. Mills, however, accounted for about 1.7 million short tons of available capacity in 2005,<sup>8</sup> while service centers accounted for about 2 million short tons of available capacity. Throughout the period for which data were collected, processors operated at capacity utilization rates between 43 percent and 53 percent (appendix table CTL-C-1b). During the same period, mills operated at higher capacity utilization rates than processors, from 60 to 88 percent. Both U.S. processors and U.S. mills recorded their highest levels of capacity utilization in January-June 2006.

Most responding firms experienced changes to their operations relating to the production of CTL plate since 2000. In addition to Geneva's closing, other firms experienced closures in their operations. CSI shut down its CTL plate operations in October 2004, removing \*\*\* short tons of capacity. In May 2003, Oregon closed its Portland melt shop, opting to \*\*\*. In addition, Jindal reported that it was shut down for \*\*\* months in late 2003. Its operations, however, were restarted, in contrast to the aforementioned permanent closures, and subsequently \*\*\*.

Gerdau Ameristeel acquired its Cartersville, GA, mill in 2002, then expanded further in 2004 with its Calvert City and Wilton, IA, mills. Gerdau primarily produces long products, however, it produces wide flat bar on bar mills at these facilities. Kentucky Electric Steel, LLC, another producer of wide flat bar, bought the assets of the predecessor company (Kentucky Electric) in 2002. The mill remained idle through 2003 and restarted in 2004. In 2003, Robinson acquired full ownership of a CTL plate line in Granite City, IL, which was until then a joint venture with National Steel. Steel Warehouse opened facilities in Memphis, TN, and Chattanooga, TN.

More substantial expansions are Nucor's and IPSCO's plant openings that added a total of \*\*\* short tons of new capacity to the domestic industry. Nucor added capacity with a greenfield expansion when it completed construction of its Hertford County, NC, facility, beginning production in October

<sup>7</sup> As shown in table CTL-III-3, however, reported production and capacity for all CTL plate products reflects an even higher level of capacity utilization.

<sup>8</sup> Mill capacity includes wide flat bar capacity. Although bar mills account for only a fraction of overall plate capacity, they account for a disproportionate share of available capacity. In 2005, available wide flat bar capacity was 495,003 short tons whereas available CTL plate mill capacity was 1,211,476 short tons. In January-June 2006, available wide flat bar capacity was 232,798 short tons whereas available CTL plate mill capacity was 217,332 short tons (appendix tables C-1, C-1a, and C-5).

2000 and commencing commercial operations in 2001. Capacity at the Hertford mill \*\*\* during the period. On July 17, 2004, Nucor acquired Corus' Tuscaloosa, AL, plate mill.<sup>9</sup>

Nucor reported that it \*\*\* capacity at these two facilities with changes in operating practices and learning curve efficiencies. It also reported that \*\*\*.<sup>10</sup>

IPSCO reported that it began production of CTL plate at its minimill in Mobile County, AL, in the first quarter of 2001. This new capability complemented the company's previous additions to its coil processing capability. In the second quarter of 2000, IPSCO Texas began producing CTL plate at its temper level coil processing plant in Houston. In the fourth quarter of 2000, a temper mill was added to IPSCO Minnesota Inc.'s coil processing facility in St. Paul, MN.

On October 31, 2003, United States Steel Corporation ("U.S. Steel") and International Steel Group ("ISG," now Mittal) completed an exchange of most of the assets of U.S. Steel's plate business, which included the 160" plate mill at Gary Works, for the assets of ISG's No. 2 pickle line at Indiana Harbor Works. U.S. Steel has continued to produce strip mill plate in limited quantities. U.S. Steel rebuilt its No. 13 blast furnace at Gary Works, which has improved its hot-rolled operations, which produce CTL plate in coils for processing by \*\*\*.

The extensive changes experienced by Bethlehem/ISG/Mittal are noted in table CTL-III-1. On April 15, 2005, ISG was merged with Mittal Steel Company, NV. Subsequently, Mittal reactivated the Burns Harbor 110" mill plate mill, which had been idled since 2000, in May 2005. This mill has the capacity to produce \*\*\* short tons per year, although it is currently staffed to operate at only \*\*\* short tons per year. This production schedule is expected to \*\*\*. Mittal's Sparrow Point blast furnace was temporarily idled in June 2006 due to an electrical storm, but is now repaired and fully operational. Also in June 2006, Mittal's Conshohocken plate mill was temporarily idled as a result of a motor failure, and became operational \*\*\*. On October 24, 2006, one of Mittal's Burns Harbor blast furnaces was idled due to a mishap.<sup>11</sup> The blast furnace returned to planned levels of operation on November 8, 2006.<sup>12</sup>

Mittal's labor agreements have undergone extensive changes. Mittal's predecessor, ISG, enacted revised labor agreements with its purchase of Bethlehem Steel. In addition to a reduction in salaries, healthcare benefits, Bethlehem's unfunded \$3.7 billion pension plan was transferred to the Pension Benefit Guarantee Corporation. ISG's labor agreement with the United Steelworkers of America, created in 2004 and in effect until 2008, established a trust to fund retiree, health, and welfare benefits. Contributions to the trust are based on quarterly profits and overtime hours worked.

Several firms reported no changes or changes that have had neither a significant impact on individual firms or the industry as a whole.<sup>13</sup>

### **Anticipated Changes in Existing Operations**

The Commission asked domestic producers to report anticipated changes in their operations. \*\*\* will not affect plate operations or capacity. If domestic plate demand declines, \*\*\* contends that it will have to reconsider the operations of \*\*\*. Any expected changes would be in response to domestic demand.

IPSCO is in the process of \*\*\*. IPSCO is also \*\*\*. This will not affect overall CTL plate production capacity, but \*\*\*. IPSCO reported that \*\*\*. Success of these operations is considered to be

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<sup>9</sup> Corus is a respondent interested party with CTL plate operations in the United Kingdom.

<sup>10</sup> Nucor's producer questionnaire, section II-5.

<sup>11</sup> *Mishap idles BF at Mittal Steel USA's Burns Harbor works*, Steel Business Briefing, October 26, 2006, found in Brazilian's respondent interested parties' posthearing brief, exhibit 2, article 1.

<sup>12</sup> E-mail, \*\*\*, November 21, 2006.

<sup>13</sup> \*\*\* producer questionnaires, section II-2, II-3, and II-5.

contingent upon the maintenance and findings against unfair trade. Likewise, Nucor reported, assuming there are no import surges, \*\*\*.

In addition to the outages Mittal has experienced recently, Nucor reported that it will be idling facilities<sup>14</sup> and Mittal reported that it will reduce hours of operations due to slackening demand.<sup>15</sup> Planned idling for 2006 for Mittal includes melt shop outages for the Coatsville and Conshohocken plants from October 22 through October 26. Mittal's 160 inch plate mill will be down for repairs from November 18 through November 26.<sup>16</sup> Nucor reported having scheduled planned outages at its Hertford mill in April 2007 and at its Tuscaloosa mill in June 2007, each lasting nine to ten days, and does not anticipate additional outages.<sup>17</sup> IPSCO reported that it takes down its rolling mill for routine maintenance for 48 hours once a month without fail, and IPSCO has an annual seven day maintenance outage planned for January 2007, which it is subject to rescheduling, depending on order book levels.<sup>18</sup> Oregon reported that it is shifting a seven day maintenance outage from the first quarter of 2007 to the fourth quarter of 2006 due to a lack of orders. IPSCO will additionally take ten days out of the schedule for both the Mobile and Montpellier mills if there is no improvement in orders.<sup>19</sup>

### Alternative Products

IPSCO reported that it can produce hot-rolled coil, slabs, CTL sheet, and alloy plate on the same equipment and machinery used to produce CTL plate.<sup>20</sup> Nucor's Hertford facility is dedicated to producing plate, while its Tuscaloosa mill produces coiled plate. Oregon commissioned a new Steckel mill in 1997 which has the flexibility to produce both CTL plate and coiled plate. Since 2000, coiled plate \*\*\* and is expected to \*\*\*.<sup>21</sup> Olympic also produces hot-rolled and stainless sheet. Wide flat bar producers CMC and Kentucky Electric primarily produce long products.

Shifting from producing CTL plate to other products, while possible, is not always desirable. IPSCO can produce slab for resale and hot-rolled coil products. However, to produce these other products, \*\*\*.<sup>22</sup> \*\*\* noted that price is but one factor among many (*e.g.*, forward production planning, customer needs, pre-existing commitments to customers, and operating flexibility) when considering switching product mix. Any change to operations would have to be justified for a long-term sustainable shift.

As shown in table CTL-III-3, the Commission collected data on nonsubject CTL production. Data including production of micro-alloy CTL plate are presented in appendix C.

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<sup>14</sup> CTL plate hearing transcript, p. 87 (Tulloch).

<sup>15</sup> CTL plate hearing transcript, p. 137 (Insetta).

<sup>16</sup> Mittal's posthearing, brief, response to Staff question.

<sup>17</sup> Nucor's posthearing brief, exhibit 11, p. 8.

<sup>18</sup> IPSCO's and Oregon's posthearing brief, answers to Commissioners' questions, 14.

<sup>19</sup> According to a presentation at a breakout session on carbon and alloy plate at the *MSCI Economic Summit (Forecast 2007)*, both Nucor and IPSCO reported strong demand through the first three quarters of 2006, and as late as September forecast strong end use demand through 2007, while noting existing import levels and service center inventory levels. IPSCO indicated that routine maintenance outages starting in the first quarter of 2007 would be more significant than in 2006, but would remain within historical ranges. IPSCO's and Oregon's posthearing brief, answers to Commissioners' questions, exhibit 5.

<sup>20</sup> Producers' questionnaire, section II-6.

<sup>21</sup> Oregon's producer questionnaire, II-10a, however, does not show reduction in plate capacity.

<sup>22</sup> Producers' questionnaire, section II-9.



Table CTL-III-3

**CTL plate: U.S. capacity, production, and capacity utilization for subject and nonsubject CTL plate, 2005, January-June 2005, and January-June 2006**

Item	Calendar year	January-June	
	2005	2005	2006
	Quantity ( <i>short tons</i> )		
Capacity ( <i>short tons</i> )	13,468,127	6,721,846	6,988,369
Production ( <i>short tons</i> )			
Subject CTL plate	7,004,588	3,442,204	4,069,157
Specifically excluded (e.g., X-70) CTL plate	***	***	***
Micro-alloy CTL plate	1,592,810	812,471	953,006
Other nonsubject (e.g., alloy) steel plate	***	***	***
Total production of CTL plate	9,700,738	4,811,612	5,718,289
Capacity utilization ( <i>percent</i> )	72.0	71.6	81.8
Note.— Subject CTL plate data presented in the above table differ from data presented in table CTL-III-2 because several producers relied on separate sources of data to generate the requisite information.			
Source: Compiled from data submitted in response to Commission questionnaires.			

### U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

Data on domestic producers' shipments of CTL plate are presented in table CTL-III-4. From 2000 to 2005, the quantity of the domestic industry's U.S. shipments increased by more than 500,000 short tons. Likewise, the quantity of U.S. shipments in January-June 2006 was 561,620 short tons greater than the quantity in January-June 2005. The average unit values of U.S. shipments ranged between \$341 and \$358 per short ton between 2000 and 2003, increased to \$628 per short ton in 2004, and have been above \$700 since 2005. As a result, the value of U.S. shipments by the domestic industry increased by more than \$2.4 billion between 2000 and 2005, and was nearly \$292 million higher in January-June 2006 than in January-June 2005.

Export shipments by the U.S. industry also rose, increasing by 86.6 percent from 2000 to 2005 and registering continued gains in January-June 2006 relative to January-June 2005. The primary export markets for U.S. producers are Mexico and Canada.<sup>23</sup> Most U.S. producers (including \*\*\*, which reportedly does a limited amount of business in these countries) reported that free trade agreements such as NAFTA do not affect the character of their operations,<sup>24</sup> although \*\*\*, which has \*\*\*, reported that NAFTA facilitates the flow of goods across borders and enables the company to take advantage of market opportunities and optimize the use of its facilities.

<sup>23</sup> According to Canadian import statistics, during the period 2000-05, the quantity of CTL plate imports from all sources increased by 96 percent. The quantity of imports from the United States rose by 84 percent during this period. In 2005, imports from the United States represented 63 percent of all imports. German CTL plate respondent interested parties' posthearing brief, appendix 6. The magnitude of overall Canadian CTL plate imports and the United States share is similarly reflected in Canadian import statistics provided by IPSCO's and Oregon's posthearing brief, exhibit 7. During this period, Stelco, a producer in Canada, ceased CTL plate production. CTL plate hearing transcript, p. 31 (Ortiz). In addition, Canada has rescinded orders on CTL plate from Mexico in 2003 (AHMSA's CTL plate prehearing brief, exhibit 15). Canada has also rescinded orders on CTL plate from Spain in 2004, and Brazil and Finland in 2005 (Joint respondents' prehearing brief, exhibit 15).

<sup>24</sup> \*\*\* reported that free trade agreements create additional availability of product that results in lower costs.

Table CTL-III-4

CTL plate: U.S. producers' shipments, by type, 2000-05, January-June 2005, and January-June 2006

	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Commercial shipments	6,019,012	5,470,738	5,814,176	5,901,038	6,305,145	6,514,075	3,258,209	3,744,474
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	6,115,864	5,595,208	5,988,501	6,041,385	6,442,052	6,618,088	3,304,432	3,866,052
Export shipments	233,283	146,677	197,405	306,342	425,436	435,382	154,323	298,047
Total	6,349,147	5,741,885	6,185,906	6,347,727	6,867,488	7,053,470	3,458,755	4,164,099
<b>Value (1,000 dollars)</b>								
Commercial shipments	2,204,991	1,869,937	1,989,459	2,111,915	3,956,100	4,613,788	2,422,204	2,659,805
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	2,242,250	1,909,806	2,050,077	2,164,450	4,047,066	4,685,560	2,452,976	2,744,626
Export shipments	86,689	49,835	65,408	107,006	279,701	314,340	115,086	210,273
Total	2,328,939	1,959,641	2,115,485	2,271,456	4,326,768	4,999,900	2,568,062	2,954,899
<b>Unit value (per short ton)</b>								
Commercial shipments	\$366	\$342	\$342	\$358	\$627	\$708	\$743	\$710
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	367	341	342	358	628	708	742	710
Export shipments	372	340	331	349	657	722	746	706
Average	367	341	342	358	630	709	742	710
<b>Share of quantity (percent)</b>								
Commercial shipments	94.8	95.3	94.0	93.0	91.8	92.4	94.2	89.9
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	96.3	97.4	96.8	95.2	93.8	93.8	95.5	92.8
Export shipments	3.7	2.6	3.2	4.8	6.2	6.2	4.5	7.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Share of value (percent)</b>								
Commercial shipments	94.7	95.4	94.0	93.0	91.4	92.3	94.3	90.0
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	96.3	97.5	96.9	95.3	93.5	93.7	95.5	92.9
Export shipments	3.7	2.5	3.1	4.7	6.5	6.3	4.5	7.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Source: Compiled from data submitted in response to Commission questionnaires.								

As the following tabulation demonstrates, exports to Canada and Mexico ranged between 85 and 97 percent of U.S. exports of CTL plate.<sup>25</sup>

Source	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Canada	396,241	353,911	471,113	492,414	629,115	686,258	336,868	431,851
Mexico	171,174	164,200	132,814	177,776	206,366	201,425	90,438	130,926
All others	32,390	29,106	17,995	22,622	42,680	158,036	35,749	42,953
Total	599,805	547,217	621,922	692,812	878,161	1,045,719	463,055	605,730

### U.S. PRODUCERS' INVENTORIES

Data collected in these reviews on U.S. producers' end-of-period inventories of CTL plate are presented in table CTL-III-5. The domestic industry's inventories of CTL plate experienced a decline from its peak year in 2000 to 2001 and then fluctuated in a generally downward trend. Domestic industry inventories relative to U.S. and total shipments also were highest in 2000, decreased through 2005, and were lower in January-June 2006 than in January-June 2005.

**Table CTL-III-5**

**CTL plate: U.S. producers' inventories, 2000-05, January-June 2005, and January-June 2006**

	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Inventories	698,145	609,687	564,800	573,515	546,697	526,917	481,010	521,320
<b>Ratios (percent)</b>								
Ratio to production	11.0	10.7	9.3	9.1	7.9	7.4	7.0	6.2
Ratio to U.S. shipments	11.4	10.9	9.4	9.5	8.5	8.0	7.3	6.7
Ratio to total shipments	11.0	10.6	9.1	9.0	8.0	7.5	7.0	6.3

Source: Compiled from data submitted in response to Commission questionnaires.

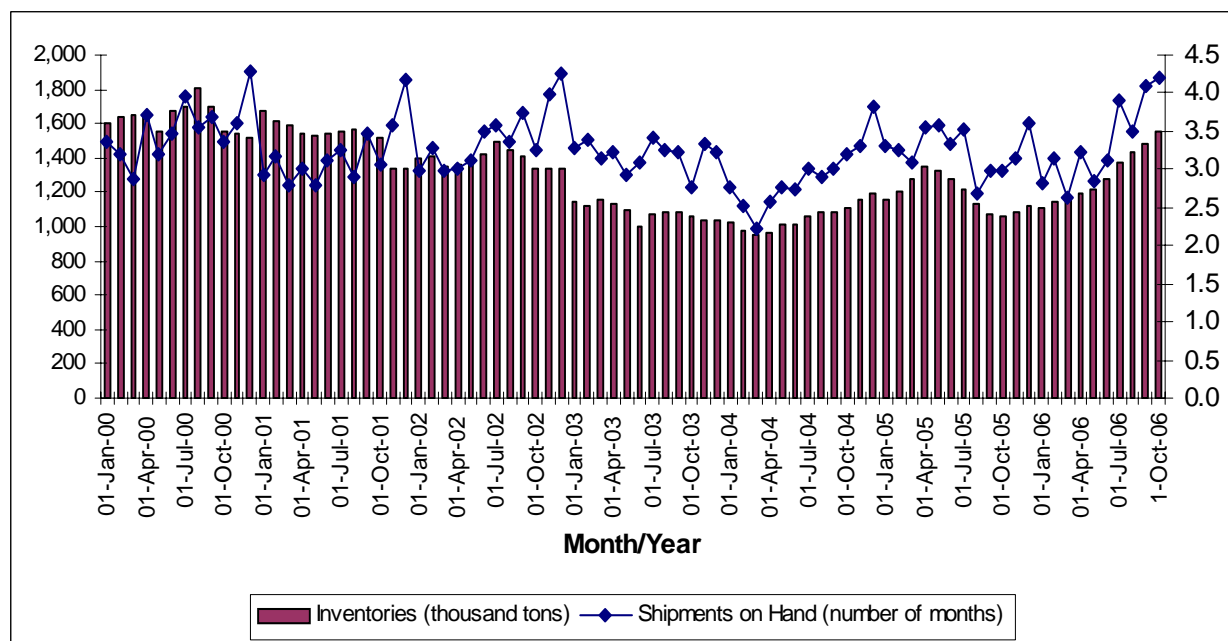
Figure CTL-III-1 illustrates inventories of plate held by U.S. service centers and the number of months of shipments on hand.<sup>26</sup>

<sup>25</sup> To provide public data, this tabulation is based on official export statistics of Commerce for the following HTS statistical reporting numbers: 7208.40.0000, 7208.51.0030, 7208.51.0050, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.0000, 7210.90.5000, 7211.13.0000, 7211.14.0000, 7211.90.0000, 7212.40.0000, and 7212.50.0000. These data are not an exact match with domestic producers' reported exports. Staff believes that, while markedly higher, the export statistics accurately reflect the trend in exports to primary markets.

<sup>26</sup> The Brazilian producers' posthearing brief (exhibit 1, p. 2) characterized service center inventory data as reflecting mostly nonsubject merchandise. Commission staff believes that the service center data presented above is a reliable depiction of the trend in plate inventories. Although these data do include some nonsubject plate (i.e., plate in coils), they include only carbon plate. E-mail, \*\*\*, November 2, 2006. Additionally, plate in coils held by service centers, unlike plate in coils held by fabricators or pipe mills, frequently is converted into CTL plate.

**Figure CTL-III-1**

**Plate: Inventories held by U.S. service centers, by months, January 2000-October 2006<sup>1</sup>**



<sup>1</sup> SSCI data include both CTL and coiled plate. Also, these inventories include plate from both domestic and foreign sources.

Source: *Business Conditions*, Steel Service Center Institute (Cleveland, OH), October 2006.

## U.S. PRODUCERS' IMPORTS AND PURCHASES

Data concerning U.S. producers' direct imports of CTL plate are shown in table III-6. Two U.S. producers reported importing CTL plate from a subject country. \*\*\*.<sup>27</sup> \*\*\*. Although the importing entity \*\*\* reported that it does not produce subject goods within the United States,<sup>28</sup> the CTL plate producing division \*\*\*. \*\*\*.<sup>29</sup>

**Table CTL-III-6**

**CTL plate: U.S. producers' direct imports, by sources, 2000-05, January-June 2005 and January-June 2006**

\* \* \* \* \*

In addition, table III-7 presents U.S. producers' reported purchases of CTL plate.

**Table CTL-III-7**

**CTL plate: U.S. producers' purchases, by sources, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

<sup>27</sup> \*\*\* is a service center, and did not provide the Commission with a response for why it imported subject CTL plate. \*\*\* importer questionnaire response, section II-6.

<sup>28</sup> This response was included in \*\*\* importer questionnaire response, section II-6. \*\*\* acts as an importer whereas \*\*\* is a CTL plate producer in the United States.

<sup>29</sup> \*\*\*, domestic producer questionnaire supplement.

## U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table CTL-III-8 provides data on U.S. CTL plate producers' production and related workers. Between 2000 and 2005 production and related workers, hours worked, and wages paid (despite rising hourly wages) all trended downward, offset by substantially higher productivity, leading to an overall reduction in labor costs.<sup>30</sup>

**Table CTL-III-8**

**CTL plate: U.S. producers' employment-related indicators, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
Production and related workers (PRWs)	5,547	4,869	4,477	4,317	3,973	3,928	3,802	4,212
Hours worked by PRWs (1,000 hours)	12,607	10,929	10,224	9,578	8,994	9,078	4,630	5,307
Wages paid to PRWs (1,000 dollars)	268,471	233,945	218,022	213,011	201,105	208,286	103,535	124,368
Hourly wages	\$21.30	\$21.41	\$21.32	\$22.24	\$22.36	\$22.95	\$22.36	\$23.43
Productivity (short tons produced per 1,000 hours)	453.3	469.7	537.4	592.9	688.4	709.6	668.9	720.7
Unit labor costs (per short ton)	\$46.98	\$45.57	\$39.68	\$37.51	\$32.48	\$32.34	\$33.43	\$32.52
Source: Compiled from data submitted in response to Commission questionnaires.								

Over the period for which data were collected, employment measured by production and related workers ("PRWs") decreased by nearly one-quarter. From 2000 to 2002, employment declined by 1,070 workers. The initial employment decrease from 2000 to 2001 was primarily due to the closure of Geneva Steel.<sup>31</sup> The decline from 2001 to 2002 was shared across the industry as a whole, with larger producers such as \*\*\* experiencing more substantial employment losses than smaller ones. During the same period, \*\*\* were adding employees. The increase in the number of PRWs from 2005 to January-June 2006 is primarily attributed to an increase in employees by mills such as \*\*\*. Hourly wages fluctuated slightly upward throughout the period, and as production increased, so did productivity, most notably reflected in the year-on-year changes from 2003 to 2004.

<sup>30</sup> Comparisons of company-specific productivity data are complicated by the variety of production methods used to manufacture CTL plate, including traditional integrated production; minimill plate and bar-mill production via electric arc furnaces; production by mills that purchase and roll slab, but do not themselves produce the input; and of course processors that acquire hot-rolled coils in plate thicknesses and then level and shear the product to form CTL plate.

<sup>31</sup> Historical data for Geneva only included data for 2000. The closure of the mill, then, is reflected in the year-on-year change for 2000-01 instead of 2001-02.

## FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

### Background

Twelve U.S. mills and five processors provided usable financial data on their operations on CTL plate.<sup>32 33 34</sup> These data are believed to account for the large majority of U.S. production of CTL plate in 2005. While several firms reported internal consumption and/or transfers, the quantity and value of these affiliated party transactions were small, accounting for less than \*\*\* percent of total sales (quantity and value) in 2005. Accordingly, these data are not presented separately in this section of the report.

### Operations on CTL Plate

Income-and-loss data for U.S. mills and processors on their operations on CTL plate are presented in table CTL-III-9. Selected financial data, by firm, are presented in table CTL-III-10.<sup>35</sup> The domestic industry experienced operating losses from 2000 to 2003, then rebounded sharply in 2004, continued to improve in 2005, and generated higher levels of operating income in January-June 2006 than in January-June 2005. Net sales quantities increased from 2000 to 2003 by 9.7 percent, from 2003 to 2005 by 7.1 percent, and were 20.6 percent higher in January-June 2006 than in January-June 2005. Net sales values increased from 2000 to 2003 by 8.9 percent, from 2003 to 2005 by 112.5 percent, and were 15.0 percent higher in January-June 2006 than in January-June 2005. The declines in operating income from 2000 to 2003 cut across the majority of the industry, as 9 of 13 mills and processors operating continuously from 2000 to 2003 reported a decrease in operating profits or deepening losses.

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<sup>32</sup> The firms (and their fiscal year ends if other than December 31) are: Cargill (May 31), Claymont, CMC (August 31), CSI, Friedman (March 31), Geneva (September 30), Gerdau, IPSCO, Kentucky Electric (September 30), LeTourneau, Mittal, Nucor, Oregon, PDM, Robinson, Steel Warehouse (September 30), and U.S. Steel.

<sup>33</sup> Geneva Steel exited the industry in 2001. Data on Geneva Steel's 2000 operations were based on historical data previously reported for Inv. Nos. 701-TA-388-391 and 731-TA-816-821 (Review). CSI shut down its CTL plate production line in October 2004, and Kentucky Electric resumed production in 2004 following its bankruptcy and closure.

<sup>34</sup> \*\*\* did not provide financial data. \*\*\*. \*\*\*. \*\*\*.

<sup>35</sup> \*\*\*.

Table CTL-III-9

CTL plate: Results of operations of U.S. mills and processors, 2000-05, January-June 2005, and January-June 2006

Item	Fiscal year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Total net sales	4,830,187	4,367,368	4,745,921	5,297,394	5,638,486	5,672,541	2,802,305	3,379,555
<b>Value (\$1,000)</b>								
Total net sales	1,758,271	1,477,637	1,609,886	1,915,063	3,530,933	4,070,019	2,119,953	2,437,411
COGS	1,800,011	1,572,475	1,628,547	1,908,344	2,692,538	2,967,611	1,517,442	1,769,847
Gross profit (loss)	(41,740)	(94,838)	(18,661)	6,719	838,395	1,102,408	602,511	667,564
SG&A expenses	111,600	105,252	96,529	137,155	104,222	120,100	56,963	69,429
Operating income (loss)	(153,340)	(200,090)	(115,190)	(130,436)	734,173	982,308	545,548	598,136
Interest expense	39,646	48,008	39,975	41,381	39,517	41,998	16,224	14,228
CDSOA income	0	827	146	1,508	2,677	413	0	0
Other income/(expense)	5,072	(3,382)	18,761	17,787	16,978	21,598	(88)	9,601
Net income (loss)	(187,914)	(250,653)	(136,258)	(152,522)	714,312	962,321	529,236	593,508
Depreciation	109,461	114,677	127,946	121,969	116,779	116,072	58,565	60,141
Cash flow	(78,453)	(135,976)	(8,312)	(30,553)	831,091	1,078,393	587,801	653,650
<b>Ratio to net sales (percent)</b>								
COGS:								
Raw materials	44.9	45.0	45.2	49.7	47.9	47.3	46.2	44.8
Direct labor	14.4	14.2	12.1	11.6	5.6	5.1	4.4	5.2
Other factory costs	43.1	47.3	43.9	38.3	22.8	20.5	20.9	22.6
Total COGS	102.4	106.4	101.2	99.6	76.3	72.9	71.6	72.6
Gross profit (loss)	(2.4)	(6.4)	(1.2)	0.4	23.7	27.1	28.4	27.4
SG&A expenses	6.3	7.1	6.0	7.2	3.0	3.0	2.7	2.8
Operating income (loss) <sup>1</sup>	(8.7)	(13.5)	(7.2)	(6.8)	20.8	24.1	25.7	24.5
Net income (loss)	(10.7)	(17.0)	(8.5)	(8.0)	20.2	23.6	25.0	24.4
<b>Unit value (per short ton)</b>								
Total net sales	\$364	\$338	\$339	\$362	\$626	\$717	\$757	\$721
COGS:								
Raw materials	163	152	153	180	300	340	350	323
Direct labor	52	48	41	42	35	37	34	38
Other factory costs	157	160	149	139	143	147	158	163
Total COGS	373	360	343	360	478	523	541	524
Gross profit (loss)	(9)	(22)	(4)	1	149	194	215	198
SG&A expenses	23	24	20	26	18	21	20	21
Operating income (loss)	(32)	(46)	(24)	(25)	130	173	195	177
Net income (loss)	(39)	(57)	(29)	(29)	127	170	189	176
<b>Number of firms reporting</b>								
Operating losses	8	8	9	10	1	0	1	0
Data	14	13	14	15	16	15	15	15
<sup>1</sup> ***								
Source: Compiled from data submitted in response to Commission questionnaires.								

The industry-wide financial decline reversed from 2003 to 2005. Per-unit operating income substantially improved as the increase in per-unit net sales values (\$356 per short ton) was much greater than the combined effects of an increase in unit cost of goods sold (“COGS”) (\$163 per short ton) and a decline in selling, general, and administrative (“SG&A”) expenses (\$5 per short ton). While \*\*\* enjoyed some of the largest increases in operating profitability from 2003 to 2005, the 2003 to 2005 increase cut across the industry, as all mills (individually) and processors (collectively) operating continuously during this time frame reported increased operating profits or smaller losses.

The domestic industry’s operating income was also higher in January-June 2006 than in January-June 2005 due to the increase in net sales quantity; however, on a per-unit basis, lower net sales values (\$35 per short ton) were greater in magnitude than the net reduction in COGS (lower by \$18 per short ton) and SG&A expenses (higher by \$0.22 per short ton). The higher operating income level in January-June 2006 was generally reflected across the industry, as a majority (11 of 15) of firms reported greater operating income than in January-June 2005.

**Table CTL-III-10**

**CTL plate: Results of operations of U.S. mills (by firm) and processors, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

From 2003 to 2005, the increase in COGS is due primarily to the increase in raw material costs. During this time, per-unit raw material costs increased by 89 percent, while per-unit direct labor and other factory costs combined increased by 2 percent.

Table CTL-III-10 highlights the differences between the mills and the processors. From 2000 to 2003, the mills posted aggregate operating losses while the processors reported aggregate operating profits due primarily to the processors’ lower fixed costs and ability to purchase steel at lower prices. In 2004 and 2005, as well as from January-June 2005 to January-June 2006, the price of steel increased and the mills reported large increases in operating profits, while the aggregate operating profits for processors were more stable during this timeframe.

A variance analysis for CTL plate is presented in table CTL-III-11. The information for this variance analysis is derived from table CTL-III-9. The variance analysis provides an assessment of changes in profitability as it relates to changes in pricing, cost, and volume. The analysis shows that the improvement in operating income from 2000 to 2005 is primarily attributable to the higher favorable price variance despite an increased unfavorable net cost/expense variance (that is, prices rose higher than costs/expenses). Lower costs/expenses and greater volume outweighed a decline in prices from January-June 2005 to January-June 2006.



Table CTL-III-11

CTL plate: Variance analysis on operations of U.S. mills and processors, 2000-05, and January-June 2005-06

Item	Between fiscal years						January-June
	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Value (\$1,000)							
Total net sales:							
Price variance	2,005,117	(112,160)	4,171	118,109	1,492,562	517,760	(119,234)
Volume variance	306,631	(168,474)	128,078	187,068	123,308	21,326	436,692
Total net sales variance	2,311,748	(280,634)	132,249	305,177	1,615,870	539,086	317,458
Cost of sales:							
Cost variance	(853,690)	55,062	80,226	(90,561)	(661,318)	(258,811)	60,175
Volume variance	(313,911)	172,474	(136,298)	(189,236)	(122,876)	(16,262)	(312,580)
Total cost variance	(1,167,600)	227,536	(56,072)	(279,797)	(784,194)	(275,074)	(252,405)
Gross profit variance	1,144,148	(53,098)	76,177	25,380	831,676	264,012	65,053
SG&A expenses:							
Expense variance	10,963	(4,345)	17,846	(29,409)	41,764	(15,248)	(732)
Volume variance	(19,462)	10,693	(9,123)	(11,217)	(8,831)	(629)	(11,734)
Total SG&A variance	(8,500)	6,348	8,723	(40,626)	32,933	(15,877)	(12,466)
Operating income variance	1,135,648	(46,750)	84,900	(15,246)	864,609	248,135	52,588
Summarized as:							
Price variance	2,005,117	(112,160)	4,171	118,109	1,492,562	517,760	(119,234)
Net cost/expense variance	(842,727)	50,717	98,072	(119,970)	(619,554)	(274,059)	59,443
Net volume variance	(26,742)	14,693	(17,343)	(13,385)	(8,399)	4,434	112,378
Note.-- Unfavorable variances are shown in parentheses; all others are favorable.							
Source: Compiled from data submitted in response to Commission questionnaires.							

### Capital Expenditures and Research and Development Expenses

The responding firms' aggregate data on capital expenditures and research and development ("R&D") expenses are shown in table CTL-III-12. Aggregate capital expenditures irregularly declined from 2000 to 2005, and were higher in January-June 2006 than in January-June 2005. Aggregate R&D expenses irregularly increased from 2000 to 2005 and were also higher in January-June 2006 than in January-June 2005. \*\*\* accounted for the majority of reported capital expenditures during most of the review period, while \*\*\* accounted for the majority of reported R&D expenses during the entire review period. In total, 15 firms reported capital expenditure data and four firms reported R&D data.

Table CTL-III-12

CTL plate: Capital expenditures and research and development expenses of U.S. mills and processors, 2000-05, January-June 2005, and January-June 2006

Item	Fiscal year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
Value (\$1,000)								
Capital expenditures	*** <sup>1</sup>	*** <sup>1</sup>	38,505	20,630	23,063	86,056	20,612	43,030
R&D expenses	***	***	***	***	***	***	***	***
<sup>1</sup> *** . *** . *** .								
Source: Compiled from data submitted in response to Commission questionnaires.								

## Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of CTL plate to compute return on investment ("ROI"). Although ROI can be computed in many different ways, a commonly used method is income divided by total assets. Therefore, ROI is calculated as operating income divided by total assets used in the production, warehousing, and sale of CTL plate.

Data on the U.S. CTL plate mills' and processors' total assets and their ROI are presented in table CTL-III-13. The total assets utilized in the production, warehousing, and sale of CTL plate irregularly increased from \$\*\*\* in 2000 to \$2.7 billion in 2005, with the large increase in current assets from 2003 to 2004 due mostly to the increases in the prices and costs for CTL plate. The ROI was negative from 2000 to 2003, then improved to 24.8 percent in 2004 and 36.0 percent in 2005.

**Table CTL-III-13**

**CTL plate: Value of assets and return on investment of U.S. mills and processors, 2000-05**

Item	Fiscal year					
	2000	2001	2002	2003	2004	2005
<b>Value of assets:</b>	<b>Value (\$1,000)</b>					
Current assets:						
Cash and equivalents	20,205	14,585	22,477	26,506	277,899	99,314
Accounts receivable, net	222,524	235,994	206,687	295,467	562,132	524,832
Inventories	318,856	310,888	320,858	312,923	576,808	595,428
Other	65,527	46,756	41,097	17,867	11,749	11,710
Total current assets	627,112	608,223	591,119	652,763	1,428,588	1,231,284
Property, plant and equipment:						
Original cost	2,538,747	2,856,655	2,672,482	2,403,851	2,218,573	2,257,426
Less: accumulated depreciation	992,337	905,082	849,786	759,618	703,466	791,007
Equals: book value	1,546,410	1,951,573	1,822,696	1,644,233	1,515,107	1,466,419
Other non-current assets <sup>1</sup>	***	***	***	***	11,384	23,475
Total assets	***	***	***	***	2,955,079	2,721,178
Operating income or (loss) <sup>2</sup>	(131,213)	(199,370)	(114,700)	(129,500)	733,366	980,463
	<b>Share (percent)</b>					
Return on investment <sup>2</sup>	***	***	***	***	24.8	36.0
<sup>1</sup> ***. <sup>2</sup> ***.						
Source: Compiled from data submitted in response to Commission questionnaires.						

## **PART CTL-IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES**

### **U.S. IMPORTS**

Import data in this report are derived from official Commerce statistics for CTL plate.<sup>1</sup> The Commission sent importers' questionnaires to all U.S. plate mills, all U.S. service centers believed to have cut-to-length processing lines, all U.S. firms believed to have imported CTL plate during previous investigations, and firms identified by \*\*\* as importers of record for CTL plate between January 2000 and April 2006. Sixteen firms supplied usable data,<sup>2</sup> while 25 reported that they had not imported CTL plate since 2000. The Commission received responses from firms accounting for a substantial share of CTL plate imports from Romania, and limited responses from smaller-volume subject countries.

Imports of CTL plate from each of the subject countries and from all nonsubject countries appear in table CTL-IV-1.<sup>3</sup> The combined imports from the subject countries varied over the period for which data were collected, fluctuating primarily due to the level of imports from Romania. Besides imports from Romania, the only two subject countries consistently reporting U.S. imports of over 1,000 short tons were Germany and Belgium. However, U.S. imports from both of these countries may include products excluded from these orders. In the case of Belgium these products may include floor plate; in the case of Germany these products may include X-70 plate. Therefore, a tabulation is presented for Belgium and Germany detailing the quantity of imports from these countries for which duties were collected. As shown, there was a marked decrease in the amount of imports from these two countries.

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<sup>1</sup> The official import statistics that form the core of the data are limited to non-alloy steel plate. While most of this volume is believed to be CTL plate consistent with the scope of these reviews, some of the HTS subheadings included in the scope provide for plate in both coiled and non-coiled form. This has resulted in an overstatement in the volume of subject imports of CTL plate. While Staff believes that this overstatement is minor in aggregate, it can have a noticeable impact on data for certain suppliers in periods where their overall volume is relatively small.

<sup>2</sup> No importers reported entering or withdrawing CTL plate from bonded warehouses in the United States, nor did any importer report importing CTL plate through a foreign trade zone ("FTZ").

<sup>3</sup> Consistent with data presented in the first reviews, data for CTL plate are compiled from HTS statistical reporting numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7211.13.0000, 7211.14.0030, and 7211.14.0045.

Table CTL-IV-1

CTL plate: U.S. imports, by sources, 2000-05, January-June 2005, and January-June 2006

Source	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Belgium	15,614	16,575	11,615	6,226	10,271	10,388	2,767	6,853
Brazil	3,243	2,978	1,477	0	18	2,460	1,961	420
Finland	0	19	0	0	1,290	0	0	0
Germany	8,783	129	40,536	2,647	23,413	2,078	1,491	15,671
Mexico	153	271	273	308	1,083	440	379	168
Poland	3	386	0	0	45	61	61	0
Romania	6	5,981	44,339	69,552	109,969	49,813	3,014	0
Spain	5	0	6	0	0	0	0	0
Sweden	354	1,312	198	0	280	182	182	50
Taiwan	75	66	226	0	0	0	0	0
United Kingdom	847	125	79	23	8	17	0	19
Subtotal	29,083	27,842	98,749	78,755	146,377	65,439	9,856	23,181
All other sources	669,666	611,424	452,321	234,670	390,123	598,444	331,866	545,050
Total	698,749	639,266	551,069	313,425	536,500	663,883	341,722	568,231
<b>Value (1,000 dollars)<sup>1</sup></b>								
Belgium	6,458	6,511	4,951	3,086	7,023	8,923	1,976	5,904
Brazil	1,546	1,386	288	0	7	3,138	2,714	323
Finland	0	10	0	0	1,112	0	0	0
Germany	4,030	92	17,028	1,688	10,641	1,440	980	15,574
Mexico	65	141	81	123	570	271	244	79
Poland	4	95	0	0	23	36	36	0
Romania	6	1,433	12,627	20,706	58,584	31,292	2,084	0
Spain	2	0	2	0	0	0	0	0
Sweden	198	1,095	192	0	131	108	108	33
Taiwan	26	20	270	0	0	0	0	0
United Kingdom	246	88	49	7	3	6	0	6
Subtotal	12,581	10,873	35,489	25,610	78,094	45,214	8,143	21,920
All other sources	199,956	180,362	143,493	78,892	221,897	400,852	227,169	325,305
Total	212,537	191,235	178,982	104,501	299,990	446,065	235,312	347,225

Table continued on next page.

Table CTL-IV-1--Continued

CTL plate: U.S. imports, by sources, 2000-05, January-June 2005, and January-June 2006

Source	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Unit value (per short ton)</b>								
Belgium	\$414	\$393	\$426	\$496	\$684	\$859	\$714	\$862
Brazil	477	465	195	( <sup>2</sup> )	366	1,276	1,384	769
Finland	( <sup>2</sup> )	537	( <sup>2</sup> )	( <sup>2</sup> )	862	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Germany	459	710	420	638	454	693	657	994
Mexico	428	521	298	400	526	615	645	472
Poland	1,270	247	( <sup>2</sup> )	( <sup>2</sup> )	505	595	595	( <sup>2</sup> )
Romania	890	240	285	298	533	628	691	( <sup>2</sup> )
Spain	444	( <sup>2</sup> )	358	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Sweden	559	835	970	( <sup>2</sup> )	470	595	595	663
Taiwan	353	309	1,194	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
United Kingdom	291	708	624	305	374	342	( <sup>2</sup> )	338
Subtotal	433	391	359	325	534	691	826	946
All other sources	299	295	317	336	569	670	685	597
Total	304	299	325	333	559	672	689	611
<b>Share of quantity (percent)</b>								
Belgium	2.2	2.6	2.1	2.0	1.9	1.6	0.8	1.2
Brazil	0.5	0.5	0.3	0.0	( <sup>3</sup> )	0.4	0.6	0.1
Finland	0.0	( <sup>3</sup> )	0.0	0.0	0.2	0.0	0.0	0.0
Germany	1.3	( <sup>3</sup> )	7.4	0.8	4.4	0.3	0.4	2.8
Mexico	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.1	0.2	0.1	0.1	( <sup>3</sup> )
Poland	( <sup>3</sup> )	0.1	0.0	0.0	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.0
Romania	( <sup>3</sup> )	0.9	8.0	22.2	20.5	7.5	0.9	0.0
Spain	( <sup>3</sup> )	0.0	( <sup>3</sup> )	0.0	0.0	0.0	0.0	0.0
Sweden	0.1	0.2	( <sup>3</sup> )	0.0	0.1	( <sup>3</sup> )	0.1	( <sup>3</sup> )
Taiwan	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.0	0.0	0.0	0.0	0.0
United Kingdom	0.1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0	( <sup>3</sup> )
Subtotal	4.2	4.4	17.9	25.1	27.3	9.9	2.9	4.1
All other sources	95.8	95.6	82.1	74.9	72.7	90.1	97.1	95.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

Table CTL-IV-1--Continued

CTL plate: U.S. imports, by sources, 2000-05, January-June 2005, and January-June 2006

Source	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Share of value (percent)</b>								
Belgium	3.0	3.4	2.8	3.0	2.3	2.0	0.8	1.7
Brazil	0.7	0.7	0.2	0.0	( <sup>3</sup> )	0.7	1.2	0.1
Finland	0.0	( <sup>3</sup> )	0.0	0.0	0.4	0.0	0.0	0.0
Germany	1.9	( <sup>3</sup> )	9.5	1.6	3.5	0.3	0.4	4.5
Mexico	( <sup>3</sup> )	0.1	( <sup>3</sup> )	0.1	0.2	0.1	0.1	( <sup>3</sup> )
Poland	( <sup>3</sup> )	( <sup>3</sup> )	0.0	0.0	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.0
Romania	( <sup>3</sup> )	0.7	7.1	19.8	19.5	7.0	0.9	0.0
Spain	( <sup>3</sup> )	0.0	( <sup>3</sup> )	0.0	0.0	0.0	0.0	0.0
Sweden	0.1	0.6	0.1	0.0	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Taiwan	( <sup>3</sup> )	( <sup>3</sup> )	0.2	0.0	0.0	0.0	0.0	0.0
United Kingdom	0.1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.0	( <sup>3</sup> )
Subtotal	5.9	5.7	19.8	24.5	26.0	10.1	3.5	6.3
All other sources	94.1	94.3	80.2	75.5	74.0	89.9	96.5	93.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Ratio of import quantity to U.S. production (percent)</b>								
Belgium	0.2	0.3	0.2	0.1	0.1	0.1	0.1	0.2
Brazil	0.1	0.1	( <sup>3</sup> )	0.0	( <sup>3</sup> )	( <sup>3</sup> )	0.1	( <sup>3</sup> )
Finland	0.0	( <sup>3</sup> )	0.0	0.0	( <sup>3</sup> )	0.0	0.0	0.0
Germany	0.1	( <sup>3</sup> )	0.7	( <sup>3</sup> )	0.3	( <sup>3</sup> )	( <sup>3</sup> )	0.4
Mexico	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Poland	( <sup>3</sup> )	( <sup>3</sup> )	0.0	0.0	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.0
Romania	( <sup>3</sup> )	0.1	0.7	1.1	1.6	0.7	0.1	0.0
Spain	( <sup>3</sup> )	0.0	( <sup>3</sup> )	0.0	0.0	0.0	0.0	0.0
Sweden	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.0	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Taiwan	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.0	0.0	0.0	0.0	0.0
United Kingdom	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.0	( <sup>3</sup> )
Subtotal	0.5	0.5	1.6	1.3	2.1	0.9	0.3	0.6
All other sources	10.6	10.8	7.4	3.7	5.7	8.4	9.6	13.0
Total	11.1	11.3	9.0	5.0	7.8	9.3	9.9	13.6
<sup>1</sup> Landed, duty paid. <sup>2</sup> Not applicable. <sup>3</sup> Less than 0.05 percent.								
Source: Compiled from official Commerce statistics.								

The following tabulation presents \*\*\* data on imports from Belgium and Germany for which countervailing and antidumping duties were collected between January 2000 and June 2006. In addition, in July 2002, the Federal Circuit ruled that floor plate was not within the scope of the original orders on Belgium.<sup>4</sup> Consequently, Commerce instructed Customs to liquidate all unliquidated floor plate without regard to countervailing and antidumping duties effective February 12, 2000. Therefore, the following tabulation further deducts reported floor plate imports from Belgium during 2000-02.<sup>5</sup>

\* \* \* \* \*

Imports of CTL plate also entered the United States from 32 nonsubject countries during the period for which data were collected (table CTL-IV-2).<sup>6</sup> The total quantity of CTL plate imports from all sources decreased from 2000 to 2005 by 5.0 percent. Canada and Korea were the largest sources for U.S. imports from countries not subject to these reviews. Since 2001, the United States has consistently imported more than 100,000 short tons of CTL plate from Canada annually. From January 2000 through June 2006, the United States imported 566,142 short tons from Korea.

**Table CTL-IV-2**

**CTL plate: U.S. imports by source (nonsubject countries only), 2000-05, January-June 2005, and January-June 2006**

Source	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
<b>Covered by order or suspension agreement since 1997</b>								
China	148,181	90,775	31,098	6,036	1,176	2,084	1,866	1,326
Russia	87,148	79,070	34,453	3,742	685	2,789	90	38,417
Ukraine	25,408	31,316	5,650	4,712	129,159	87,732	64,179	28,445
<b>Covered by order since 2000</b>								
India <sup>1</sup>	1,485	1,200	0	0	6	0	0	3,836
Indonesia <sup>1</sup>	0	123	0	0	622	2,682	2,498	19
Italy	1,715	0	0	0	28,227	5,574	5,540	702
Japan	2,309	3,101	36,165	0	2,928	5,504	4,282	2,982
Korea	155,375	145,037	71,390	11,789	26,737	72,292	44,586	83,522

Table continued on next page.

<sup>4</sup> Duferco Steel, Inc. v. United States, 296 F.3d 1087, 1095 (Fed. Cir. 2002).

<sup>5</sup> Floor plate imports from Belgium accounted for \*\*\* short tons in 2000, \*\*\* short tons in 2001, and \*\*\* short tons in 2002. E-mail from \*\*\*, November 15, 2006.

<sup>6</sup> The data in this table are based on official import statistics of Commerce for non-alloy steel plate.

**Table CTL-IV-2--Continued**

**CTL plate: U.S. imports by source (nonsubject countries only), 2000-05, January-June 2005, and January-June 2006**

Source	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Not covered by order</b>								
Australia	34,911	40,986	14,344	7,807	3,514	9,091	0	44,089
Austria	1,928	6,176	1,679	55	3,457	10,799	635	9,823
Bulgaria <sup>1</sup>	15,502	24,766	36,927	1,096	0	1,118	1,118	4,767
Canada <sup>2</sup>	80,318	121,283	124,393	134,184	106,756	158,413	64,944	95,370
Cyprus	0	0	0	10	0	0	0	0
Czech Republic <sup>1</sup>	50,837	17,965	53,868	40,866	36,166	11,055	2,678	11,266
Denmark	441	0	5	0	0	0	0	0
Dominican Rep <sup>1</sup>	0	0	15	0	0	0	0	0
Egypt <sup>1</sup>	0	0	0	112	2,386	8	4	0
Estonia <sup>1</sup>	0	0	0	0	146	0	0	0
France	2,329	736	455	129	717	4,626	4,119	921
Hungary <sup>1</sup>	4,089	3,004	6,308	3,137	2,184	1,617	1,213	529
Kazakhstan	271	168	0	0	0	0	0	0
Macedonia <sup>1</sup>	6,276	8,917	0	0	0	0	0	14,778
Malaysia	0	0	0	0	7,647	70,005	42,929	70,515
Malta	11	0	0	0	0	0	0	0
New Zealand	0	23	0	0	0	349	255	0
Norway	350	490	1,020	1,209	681	917	561	349
Slovak Republic <sup>1</sup>	1,669	1,179	1,385	849	604	2,713	1,708	1,197
South Africa <sup>1</sup>	3,992	7,520	11,889	16,086	17,643	27,552	13,309	26,982
Switzerland	45	0	0	0	0	0	0	0
Thailand <sup>1</sup>	44,717	25,207	17,397	2,646	16,666	120,084	74,315	99,383
Turkey <sup>1</sup>	0	2,384	3,880	203	2,013	1,423	1,029	5,831
Venezuela <sup>1</sup>	358	0	0	0	0	17	8	0
Total	669,666	611,424	452,321	234,670	390,123	598,444	331,866	545,050
<sup>1</sup> Country not subject to safeguard measures. <sup>2</sup> Member of free trade agreement; safeguard measures not applied.  Note-- Highlighted years indicate the period of time during which increased tariffs were in effect pursuant to the U.S. safeguard measure on steel.  Source: Compiled from official Commerce statistics.								



## CUMULATION CONSIDERATIONS

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographic markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Fungibility considerations and channels of distribution are discussed in Part II of this report; additional information regarding fungibility, geographic markets, and presence in the market are discussed below.

### Fungibility

Tables CTL-IV-3 and IV-4 present U.S. commercial shipments of CTL plate reported by U.S. producers and U.S. importers by the types of plate and the thickness of plate, respectively.

**Table CTL-IV-3**

**CTL plate: U.S. producers' and importers' U.S. shipments, by source and type of plate, 2005<sup>1</sup>**

Item	Floor plate	Carbon structural steel plate	Pressure vessel plate	Platform plate	Ship-building plate	Plate for line pipe	Wide flat bar	All other CTL plate	Total CTL plate
<b>Quantity (short tons)</b>									
United States	25,517	4,201,221	336,999	73,050	284,993	47,567	607,892	845,009	6,422,248
Belgium	***	***	***	***	***	***	***	***	***
Brazil	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***
Romania	***	***	***	***	***	***	***	***	***
All others	3,783	143,186	33,699	0	0	0	0	61,251	241,919
<b>Share of quantity (percent)</b>									
United States	0.4	65.4	5.2	1.1	4.4	0.7	9.5	13.2	100.0
Belgium	***	***	***	***	***	***	***	***	100.0
Brazil	***	***	***	***	***	***	***	***	100.0
Germany	***	***	***	***	***	***	***	***	100.0
Romania	***	***	***	***	***	***	***	***	100.0
All others	1.6	59.2	13.9	0.0	0.0	0.0	0.0	25.3	100.0
<sup>1</sup> No U.S. commercial shipments were reported for imports from Finland, Mexico, Poland, Spain, Sweden, Taiwan, and the United Kingdom. Source: Compiled from data submitted in response to Commission questionnaires.									

Table CTL-IV-4

CTL plate: U.S. producers' and importers' U.S. shipments, by source and thickness of plate, 2005<sup>1</sup>

Item	< 1.00"	≥ 1.00" but < 3.00"	≥ 3.00" but < 4.00"	≥ 4.00"	Total
<b>Quantity (short tons)</b>					
United States	4,643,882	1,425,504	99,622	111,730	6,280,738
Belgium	***	***	***	***	***
Brazil	***	***	***	***	***
Germany	***	***	***	***	***
Romania	***	***	***	***	***
All others	167,659	38,166	6,202	2,757	214,784
<b>Share of quantity (percent)</b>					
United States	73.9	22.7	1.6	1.8	100.0
Belgium	***	***	***	***	100.0
Brazil	***	***	***	***	100.0
Germany	***	***	***	***	100.0
Romania	***	***	***	***	100.0
All others	78.1	17.8	2.9	1.3	100.0
<sup>1</sup> No U.S. commercial shipments were reported for imports from Finland, Mexico, Poland, Spain, Sweden, Taiwan, and the United Kingdom. Source: Compiled from data submitted in response to Commission questionnaires.					

### Geographic Markets

As noted previously, CTL plate production occurs throughout the United States, and CTL plate is shipped nationwide. Information summarizing national and regional markets and the shipment of CTL plate is presented in Part CTL-II. Of the CTL plate imported into the United States from the subject countries from January 2000 to June 2006, the top ten Customs districts accounted for nearly all entries. As illustrated in table CTL-IV-5,<sup>7</sup> imports from Romania are concentrated in the Gulf States region. Accordingly, the Houston-Galveston, TX, district accounted for the largest share of subject imports (51.6 percent).

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<sup>7</sup> Official Commerce statistics measure imports at the port of entry; material imported into one district, however, may be shipped to another geographic region.

Table CTL-IV-5

CTL plate: U.S. imports from subject countries, by Customs district, January 2000-June 2006

Customs district	Belgium	Brazil	Finland	Germany	Mexico	Poland <sup>1</sup>
Houston-Galveston, TX	35,350	5,085	1,154	15,475	0	0
New Orleans, LA	2,322	3,040	0	18,194	0	0
Tampa, FL	2,485	0	0	53,087	0	0
Seattle, WA	8,428	12	0	89	0	0
Detroit, MI	6,327	0	0	954	0	40
Philadelphia, PA	2,220	420	0	1,964	0	0
Los Angeles, CA	6,803	0	0	4	0	0
Chicago, IL	5,197	196	14	11	0	9
Laredo, TX	129	1,477	0	8	2,413	0
Savannah, GA	3,458	0	0	64	0	0
All others	4,822	365	141	3,407	283	447
<b>Total</b>	<b>77,542</b>	<b>10,596</b>	<b>1,309</b>	<b>93,256</b>	<b>2,696</b>	<b>495</b>
Customs district	Romania	Spain <sup>2</sup>	Sweden <sup>3</sup>	Taiwan <sup>4</sup>	UK <sup>5</sup>	—
Houston-Galveston, TX	184,983	0	0	0	66	—
New Orleans, LA	86,672	0	0	0	71	—
Tampa, FL	2,572	0	0	0	0	—
Seattle, WA	0	0	256	20	0	—
Detroit, MI	0	0	393	0	46	—
Philadelphia, PA	2,557	0	0	0	8	—
Los Angeles, CA	0	0	0	222	101	—
Chicago, IL	0	0	1,294	0	31	—
Laredo, TX	348	0	0	0	0	—
Savannah, GA	0	0	0	0	28	—
All others	2,527	11	432	125	765	—
<b>Total</b>	<b>279,660</b>	<b>11</b>	<b>2,376</b>	<b>367</b>	<b>1,118</b>	<b>—</b>
<sup>1</sup> The primary "other" port of entry for CTL plate from Poland was San Juan, PR. <sup>2</sup> The primary "other" ports of entry for CTL plate from Spain were Ogdensburg, NY, and St. Albans, VT. <sup>3</sup> The primary "other" ports of entry for CTL plate from Sweden were Chicago, IL; Detroit, MI; New York, NY; and Seattle, WA. <sup>4</sup> The primary "other" ports of entry for CTL plate from Taiwan were Los Angeles, CA, and Ogdensburg, NY. <sup>5</sup> The primary "other" ports of entry for CTL plate from the United Kingdom were San Juan, PR, Los Angeles, CA, and New Orleans, LA.						
Source: Compiled from official Commerce statistics.						

## Presence in the Market

Table CTL-IV-6 presents data on the monthly entries of U.S. imports of CTL plate, by source, during the period for which data were collected. Plate products from Belgium and Germany (see earlier note) were generally present throughout the period for which data were collected, while CTL plate from Mexico and Romania was more prevalent later in the period. Monthly entries of imports from Brazil, Sweden, and the United Kingdom all declined between January 2000 and June 2006, while monthly entries of imports from Finland, Poland, and Spain were minimal throughout the period for which data were collected.

**Table CTL-IV-6**

**CTL plate: U.S. imports, monthly entries into the United States, by source, 2000-05, January-June 2005, and January-June 2006**

Source	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
Belgium <sup>1</sup>	12	12	12	8	10	10	4	6
Brazil	8	4	5	0	1	4	1	1
Finland	0	1	0	0	2	0	0	0
Germany <sup>1</sup>	6	5	10	10	12	11	6	6
Mexico	5	4	4	4	9	7	4	5
Poland	1	3	0	0	2	1	1	0
Romania	1	1	8	4	10	5	1	0
Spain	1	0	1	0	0	0	0	0
Sweden	9	8	3	0	3	2	2	2
Taiwan	2	2	2	0	0	0	0	0
United Kingdom	5	2	6	1	1	1	0	1
All others	12	12	12	12	12	12	6	6
<sup>1</sup> Nonsubject imports are included in entries from Belgium (floor plate) and Germany (X-70 plate).								
Source: Compiled from official Commerce statistics.								

## U.S. IMPORTERS' INVENTORIES

Data relating to U.S. importers' inventories of subject imports and all CTL plate imports are presented in table CTL-IV-7.

**Table CTL-IV-7**

**CTL plate: U.S. importers' end-of-period inventories of imports, by source, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Imports from subject sources<sup>1</sup></b>								
Inventories ( <i>short tons</i> )	0	0	0	0	***	***	0	0
Ratio to imports ( <i>percent</i> )	0.0	0.0	0.0	0.0	***	***	0.0	0.0
Ratio to shipments of imports ( <i>percent</i> )	0.0	0.0	0.0	0.0	***	***	0.0	0.0
<b>Imports from all other sources</b>								
Inventories ( <i>short tons</i> )	3,605	2,257	1,557	905	***	***	2,663	2,758
Ratio to imports ( <i>percent</i> )	2.1	1.5	0.9	1.7	***	***	0.8	0.8
Ratio to shipments of imports ( <i>percent</i> )	2.1	1.5	0.9	0.5	***	***	0.8	0.7
<b>Total imports</b>								
Inventories ( <i>short tons</i> )	3,605	2,257	1,557	905	20,148	7,756	2,663	2,758
Ratio to imports ( <i>percent</i> )	2.0	1.5	0.9	1.5	5.0	2.3	0.8	0.8
Ratio to shipments of imports ( <i>percent</i> )	2.0	1.5	0.9	0.5	5.3	2.2	0.7	0.7
<sup>1</sup> Romania was the exclusive source of inventories of imports of CTL plate from subject sources. Note—Partial-year ratios are based on annualized import and shipment data. Source: Compiled from data submitted in response to Commission questionnaires.								

Responding U.S. importers reported that they had arranged for the delivery of \*\*\* short tons of CTL plate from \*\*\* after June 30, 2006 through December 2007. For this same period, responding U.S. importers reported arranging for delivery 20,360 short tons of CTL plate from nonsubject sources.

## THE INDUSTRY IN BELGIUM

### Overview

The Commission identified four Belgian producers of CTL steel plate - Clabecq, Cockerill, Fabfer, and Sidmar - in the original investigations, and two producers in the first reviews - Duferco and Industeel.<sup>8</sup> In the current second reviews, the Commission issued questionnaires to two producers in

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<sup>8</sup> USITC Publication 2664, p. I-98, and USITC Publication 3364, p. PLATE-IV-1.

Belgium, one of which, Duferco, responded and is a party.<sup>9</sup> Accordingly, the data presented on Belgian production of CTL plate for the current second reviews are for Duferco. \*\*\* reports that there are two reversing plate mills in Belgium (both owned by Duferco),<sup>10</sup> but gives no indication of reversing plate mill capacity owned by Industeel (owned by Arcelor-Mittal).<sup>11</sup> Duferco contends, however, that Industeel's product mix is heavily weighted toward stainless steel and other alloy steel plate.<sup>12</sup> CTL plate sales represented \*\*\* percent of Duferco's total sales. Duferco reportedly represents \*\*\* percent of production of CTL plate in Belgium. Table CTL-IV-8 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table CTL-IV-8**

**CTL plate: Comparison of select Belgian industry data, 1992, 1999, and 2005**

\* \* \* \* \*

### CTL Plate Operations

Duferco reported that it stopped producing steel in December 2001 and \*\*\*, without changing \*\*\*. Since 2003, both capacity and production have increased. Since 2004, Duferco has been operating at the equivalent of \*\*\* shifts per week. From 2000 to 2003, it was operating at the equivalent of \*\*\* shifts per week. \*\*\*. Although Duferco reported that \*\*\*,<sup>13</sup> \*\*\*, are the target customers for \*\*\*.

Duferco reported that plate constitutes \*\*\* of its sales. Some of its sales are nonsubject plate (*e.g.*, alloy plate, floor plate, and sheet) which it sells in \*\*\* quantities, representing about \*\*\* percent of its sales. Duferco reported that \*\*\*.

As shown in table CTL-IV-9, during the period for which data were collected, Duferco reported exports to the United States in 2005 of \*\*\* short tons. Duferco reported \*\*\*. Free trade agreements reportedly \*\*\* its operations. Duferco's CTL plate exports are not subject to any tariff or nontariff barriers in any countries, nor subject to current investigations in any other country.<sup>14</sup> Duferco reported that sales are \*\*\*. However, \*\*\*.

Duferco reported that average prices for CTL plate to the European market ranged from \$\*\*\* per short ton to \$\*\*\* per short ton over the final quarter of 2006. Duferco estimates that for the first quarter of 2007 its average price for CTL plate products in the European market will be \*\*\*.<sup>15</sup> Sales to the rest of the world are on a project basis, focusing on specialized products, ranging in price from \*\*\*.<sup>16</sup>

**Table CTL-IV-9**

**CTL plate: Belgium's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

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<sup>9</sup> However, non-responding producer Industeel's U.S. affiliate supplied the Commission with a completed importers' questionnaire.

<sup>10</sup> \*\*\*.

<sup>11</sup> \*\*\*, contained in \*\*\*.

<sup>12</sup> Duferco's prehearing brief, exhibit 2.

<sup>13</sup> Duferco's 2005 Annual Report indicates that the firm is shifting from producing commodity plate to specialty plate. *See* Duferco's prehearing brief, exhibit 4.

<sup>14</sup> Duferco's foreign producer questionnaire, section II-13 (a) and (b).

<sup>15</sup> Duferco's posthearing brief, exhibit 2.

<sup>16</sup> *Ibid.*

As shown in table CTL-IV-10, shipments of plate products less than 1 inch thick represent the largest share of total shipments by thickness. In addition, as shown in table CTL-IV-11, carbon structural CTL plate constitutes the largest amount of shipments of plate for home market consumption. Exports constitute \*\*\*. Like the domestic market, carbon structural steel plate represents the largest amount of sales, but the export market's product mix includes substantial quantities of shipbuilding plate as well as pressure vessel plate.

**Table CTL-IV-10**

**CTL plate: Belgium's total shipments of plate, by thickness, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CTL-IV-11**

**CTL plate: Belgium's total shipments of specified plate, by market, 2005**

\* \* \* \* \*

### Alternative Products

Duferco produces nonsubject plate, but \*\*\* does not track it separately from subject CTL plate production. However, as demonstrated in table CTL-IV-12, Duferco was able to estimate subject and nonsubject plate production alone for 2005.

**Table CTL-IV-12**

**CTL plate: Belgium's capacity, production, and capacity utilization for subject and nonsubject CTL plate, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

## THE INDUSTRY IN BRAZIL

### Overview

The Commission identified two Brazilian producers of CTL steel plate - COSIPA and USIMINAS - in the original investigations and the same producers in the first reviews.<sup>17</sup> In the current second reviews, the Commission issued questionnaires to three producers in Brazil, two of which responded and are parties.<sup>18</sup> Accordingly, the data presented on Brazilian production of CTL plate for the current second reviews are for USIMINAS and COSIPA. COSIPA, however, is a wholly owned subsidiary of USIMINAS.<sup>19</sup> CTL plate sales represented \*\*\* percent of COSIPA's total sales and \*\*\* percent of USIMINAS' total sales. Responding Brazilian producers reportedly combine for 100 percent of production of CTL plate in Brazil. Table CTL-IV-13 presents comparative information available from the original investigations, the first reviews, and these second reviews.

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<sup>17</sup> USITC Publication 2664, p. I-99; USITC Publication 3364, p. PLATE-IV-5.

<sup>18</sup> The non-responding company is Gerdau Acominas SA. However, according to the responses of COSIPA and Usiminas, they account for all CTL plate production in Brazil. Additionally, according to \*\*\*, these two firms account for all reversing plate mill capacity in Brazil. \*\*\*, contained in \*\*\*.

<sup>19</sup> Though legally two entities, COSIPA is a wholly owned subsidiary of USIMINAS, but both act under the same commercial strategy. COSIPA's and USIMINAS' foreign producer questionnaires, section II-1.

**Table CTL-IV-13**

**CTL plate: Comparison of select Brazilian industry data: 1992, 1999, and 2005**

\* \* \* \* \*

### **CTL Plate Operations**

Neither firm reported \*\*\*. USIMINAS reported that it is planning \*\*\*,<sup>20</sup> COSIPA reported \*\*\* anticipated changes. Planned future investments \*\*\*,<sup>21</sup> USIMINAS noted that plans for \*\*\*.

Table CTL-IV-14 presents the Brazilian industry's capacity, production, shipments, and inventories of CTL plate for 2000-05 as well as interim (January-June) 2005 and 2006. Since 2000, capacity has fluctuated irregularly; production trends mirrored this fluctuation. Capacity utilization \*\*\*, Home market sales constitute the largest share of shipments, but were at their lowest level relative to total shipments in \*\*\*. Exports to non-EU and non-Asian markets represented the largest share of all shipments after home market shipments. As noted above, Brazil reported Latin America as a primary export market.

**Table CTL-IV-14**

**CTL plate: Brazil's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

As shown in table CTL-IV-14, there were \*\*\* reported exports of CTL plate from Brazil to the United States. Likewise, \*\*\* reported maintaining inventories of CTL plate in the United States.<sup>22</sup> Brazilian producers believe that the preferential treatment that NAFTA offers its members \*\*\*,<sup>23</sup> Brazilian CTL plate exports are not subject to any tariff or nontariff barriers, nor subject to current investigations in any other countries.<sup>24</sup> Brazilian CTL producers \*\*\* as a result of the orders. Since the orders, however, Brazil's CTL plate sales to its home market have increased. In addition, sales have increased to existing customers in Europe and Asia, but predominantly in Latin America. The firms operate \*\*\*, limiting potential sales to new markets.<sup>25</sup> Finally, if the orders are revoked, these firms \*\*\*,<sup>26</sup> Additionally, neither firm prepares independent projected prices, but, rather, both firms relies on private pricing services (e.g., \*\*\*) and published price information.<sup>27</sup>

As shown in table CTL-IV-15, shipments of plate products less than 1 inch thick represent the largest share of shipments by thickness. In addition, as shown in CTL-IV-16, carbon structural steel plate constitutes the largest amount of shipments of plate for home market consumption and for exports.

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<sup>20</sup> USIMINAS' foreign producer questionnaire, section II-12.

<sup>21</sup> COSIPA's and USIMINAS' foreign producer questionnaires, section II-17.

<sup>22</sup> COSIPA's and USIMINAS' foreign producer questionnaires, section II-12.

<sup>23</sup> COSIPA's and USIMINAS' foreign producer questionnaires, section I-7.

<sup>24</sup> COSIPA's and USIMINAS' foreign producer questionnaires, section II-13 (a) and (b).

<sup>25</sup> COSIPA's and USIMINAS' foreign producer questionnaires, section II-14.

<sup>26</sup> COSIPA's and USIMINAS' foreign producer questionnaires, section II-3.

<sup>27</sup> Brazilian respondent interested parties' posthearing brief, exhibit 5, p. 9.



**Table CTL-IV-15**

**CTL plate: Brazilian producers' total shipments of plate, by thickness, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CTL-IV-16**

**CTL plate: Brazilian producers' total shipments of specified plate, by market, 2005**

\* \* \* \* \*

### **Alternative Products**

Both Brazilian producers produce nonsubject plate, *e.g.*, X-70 plate and alloy plate (table CTL-IV-17). However, neither producer reported micro-alloy plate production.

**Table CTL-IV-17**

**CTL plate: Brazil's capacity, production, and capacity utilization for subject and nonsubject CTL plate, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

## **THE INDUSTRY IN FINLAND**

### **Overview**

The Commission identified one Finnish producer of CTL plate - Rautaruukki - in the original investigations and in the first reviews.<sup>28</sup> In the current second reviews, the Commission issued a questionnaire to, and received data from, Rautaruukki, the sole Finnish producer of CTL plate.<sup>29</sup> In the most recent fiscal year, sales of CTL plate represented \*\*\* percent of Rautaruukki's total sales.<sup>30</sup> This amount reportedly accounts for \*\*\* percent of CTL plate production in Finland.<sup>31</sup> Table CTL-IV-18 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table CTL-IV-18**

**CTL plate: Comparison of select Finnish industry data: 1992, 1999, and 2005**

\* \* \* \* \*

Rautaruukki has remained the sole producer of CTL plate since the original investigations. However, Rautaruukki reported \*\*\* because of its strategy of focusing on the markets in Europe.

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<sup>28</sup> USITC Publication 2664, p. I-104; USITC Publication 3364, p. PLATE-IV-6.

<sup>29</sup> Rautaruukki's only plant is Rautaruukki Oyj, located in Helsinki, Finland. \*\*\* confirms that this is the sole producer of reversing CTL plate in Finland. \*\*\*, contained in \*\*\*. Rautaruukki also produces strip mill plate.

<sup>30</sup> This figure includes all CTL plate (subject and nonsubject) because Rautaruukki was unable to separate the products in its records. Rautaruukki's foreign producer questionnaire, section II-10.

<sup>31</sup> Rautaruukki's foreign producer questionnaire, section II-18a.

Additionally, Rautaruukki's CTL plate capacity was lower in 2003 because it was \*\*\*. Rautaruukki noted that it \*\*\*. Rautaruukki \*\*\*,<sup>32</sup> This would \*\*\*,<sup>33</sup>

### CTL Plate Operations

Table CTL-IV-19 presents the Finnish industry's capacity, production, shipments, and inventories of CTL plate for 2000-05 as well as interim (January-June) 2005 and 2006.

**Table CTL-IV-19**

**CTL plate: Finland's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

Rautaruukki \*\*\*,<sup>34 35 36</sup> The changes in production that have taken place at Rautaruukki's mills have been due to \*\*\*,<sup>37</sup> Other than \*\*\*, Rautaruukki reported \*\*\*,<sup>38</sup> Rautaruukki only produces CTL plate to order, which explains the small fluctuations in production over the period reviewed. As discussed in greater detail under the subheading "Alternative Products," Rautaruukki reportedly \*\*\*,<sup>39</sup> Additionally, Rautaruukki reported that \*\*\*,<sup>40</sup>

Rautaruukki reported \*\*\*,<sup>41</sup> Therefore, the company reported that the orders \*\*\*,<sup>42</sup> The overwhelming majority of export shipments of CTL plate made by Rautaruukki were to markets in \*\*\*, followed by shipments to \*\*\*, which Rautaruukki identifies as its core markets.<sup>43</sup> Very little was shipped to \*\*\* over the period reviewed. Exports made up \*\*\* percent of Rautaruukki's shipments in 2005, and home market sales made up \*\*\* percent.<sup>44</sup> Rautaruukki reported that its marketing strategy is \*\*\*,<sup>45</sup> Rautaruukki's exports of CTL plate are not currently subject to any tariff or non-tariff barriers in any country, not subject to current investigations outside the United States, and not affected by any free trade agreements.<sup>46</sup>

As shown in table CTL-IV-20, the largest share of CTL plate shipments from Finland were less than one inch thick. The share of CTL plate shipments \*\*\*. Furthermore, as shown in table CTL-IV-21,

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<sup>32</sup> Plate mills currently represent \*\*\* percent of the production of CTL plate in Rautaruukki mills and hot strip mills account for the remaining \*\*\* percent of production.

<sup>33</sup> Rautaruukki's foreign producer questionnaire, section II-1 and II-2.

<sup>34</sup> Rautaruukki's foreign producer questionnaire, section II-17.

<sup>35</sup> Rautaruukki uses \*\*\*. Rautaruukki's foreign producer questionnaire, section II-5.

<sup>36</sup> Rautaruukki reported that the overall steel production of the basic oxygen furnaces at the steel plant \*\*\*. Rautaruukki's foreign producer questionnaire, section II-9.

<sup>37</sup> Rautaruukki's foreign producer questionnaire, section II-2 and II-17.

<sup>38</sup> Rautaruukki's foreign producer questionnaire, section II-4.

<sup>39</sup> Rautaruukki's foreign producer questionnaire, section II-6 and II-8.

<sup>40</sup> Rautaruukki's foreign producer questionnaire, section II-11.

<sup>41</sup> Rautaruukki's foreign producer questionnaire, section II-12 and II-18a.

<sup>42</sup> Rautaruukki's foreign producer questionnaire, section II-15 and II-16.

<sup>43</sup> Rautaruukki's response to the notice of institution, p. 10.

<sup>44</sup> Rautaruukki's foreign producer questionnaire, section II-18a.

<sup>45</sup> Rautaruukki's foreign producer questionnaire, section II-14.

<sup>46</sup> Rautaruukki's foreign producer questionnaire, section II-13 and I-7.

carbon structural steel plate constituted the largest volume of shipments for both the home market and exports, followed by shipbuilding plate.

**Table CTL-IV-20**

**CTL plate: Finnish producer's total shipments of plate, by thickness, 2005, January-June 2005 and January-June 2006**

\* \* \* \* \*

**Table CTL-IV-21**

**CTL plate: Finnish producer's total shipments of specified plate, by market, 2005**

\* \* \* \* \*

### Alternative Products

As shown in table CTL-IV-22, Rautaruukki produces nonsubject CTL plate. Of the CTL plate Rautaruukki produces, \*\*\* percent of it is nonsubject plate. Rautaruukki produces \*\*\*. Rautaruukki also uses its sheeting line for producing sheets with thicknesses \*\*\*.<sup>47</sup> In addition, Rautaruukki reported producing \*\*\*.

**Table CTL-IV-22**

**CTL plate: Finland's capacity, production, and capacity utilization for subject and nonsubject CTL plate, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

Table CTL-IV-23 presents data on Finland's production of micro-alloy CTL plate.

**Table CTL-IV-23**

**Micro-alloy CTL plate: Finland's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

## THE INDUSTRY IN GERMANY

### Overview

The Commission identified six German producers of CTL steel plate - Preussag, Ilseburg, Krupp, Kloeckner, Dillinger, and Thyssen - in the original investigations, and four such producers in the first reviews - Bremen, Dillinger, Salzgitter, and Thyssen.<sup>48</sup> In the current second reviews, the Commission issued questionnaires to six companies in Germany, three of which responded and are parties. Accordingly, the data presented on German production of CTL plate for the current second reviews are for ThyssenKrupp, AG der Dillinger Huttenwerke ("Dillinger"), and Salzgitter AG Stahl und Technologie ("Salzgitter").

Responding German producers reportedly combine for 100 percent of production of CTL plate in Germany. According to \*\*\* there are three producers of CTL plate in Germany operating four reversing

<sup>47</sup> Rautaruukki's foreign producer questionnaire, section II-6.

<sup>48</sup> USITC Publication 2664, p. I-107; USITC Publication 3364, p. PLATE-IV-7.

plate mills, two of which are operated by Salzgitter.<sup>49 50</sup> Since the original investigations, the German plate industry has undergone restructuring and consolidations that reduced the number of producers from six to three. A respondent to the original investigations, Preussag Stahl AG (now Salzgitter) closed a heavy plate facility in Salzgitter when it purchased a plate facility in Ilsenburg. Krupp Hoesch Stahl resulted from mergers in 1993 of Krupp and Hoesch Stahl. In 1997, this entity then merged with Thyssen to form ThyssenKrupp. Overall plate capacity was reduced after these mergers. Klockner exited the plate business in 1994 when selling its plate operations to Sidmar (which then became part of the Arcelor group). Plate production was discontinued on December 31, 1999.<sup>51</sup>

Sales of CTL plate in 2005 accounted for \*\*\* percent of total firm sales from \*\*\*, \*\*\* percent from \*\*\*, and \*\*\* percent from \*\*\*. Table CTL-IV-24 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table CTL-IV-24**

**CTL plate: Comparison of select German industry data, 1992, 1999, and 2005**

Item	1992	1999	2005
Capacity (1,000 short tons)	3,516	***	2,053
Production (1,000 short tons)	2,499	***	2,143
Capacity utilization (percent)	71.1	***	104.4
Exports/shipments (percent)	37.0	***	43.3
Inventories/shipments (percent)	4.8	***	10.2
<p>Note.— Data for 1992 were provided by Preussag, Ilsenburg, Krupp, Kloeckner, Dillinger, and Thyssen. Data for 1999 were provided by Bremen, Dillinger, Salzgitter, and Thyssen. Data for 2005 were provided by ThyssenKrupp, Dillinger, and Salzgitter.</p> <p>Source: USITC Publication 2664; confidential first review report (INV-X-221, October 18, 2000) table CTL-IV-7; and 2006 questionnaire responses identified above.</p>			

### CTL Plate Operations

German producers reported several operational/ organizational changes since January 1, 2000.<sup>52</sup> \*\*\* restructured its operations into independent divisions. \*\*\* has also gone through regular periodic revisions to its labor agreements, but reported that these resulted in no change to the character of its operations. In 2003, \*\*\*, \*\*\* reported no changes to the character of its operations or organization and, like \*\*\*, anticipates \*\*\* in 2006 and 2007.<sup>53</sup>

\*\*\* did, however, report that it plans to replace its \*\*\*, \*\*\*, \*\*\*, \*\*\*.

<sup>49</sup> \*\*\*, contained in \*\*\*.

<sup>50</sup> Salzgitter provided the Commission with data on its Mannesmannrohr facility in a separate supplemental submission and its posthearing brief. The additional data are not presented in tables CTL-IV-24-27 because the facility primarily produces alloy steel plate. Capacity and alloy steel plate production are included in table CTL-IV-28. Salzgitter did not include the Mannesmannrohr facility in its original response because, although it is a plate mill, it is operationally considered to be under Salzgitter's tube division. Plate produced at this facility is internally transferred to its pipe division. Dillinger submission, October 18, 2006. Salzgitter's plate facility for its pipe mill was not included in the original investigations or reviews.

<sup>51</sup> German CTL plate respondent interested parties' posthearing brief, pp 8-9.

<sup>52</sup> Dillinger's, ThyssenKrupp's, and Salzgitter's foreign producer questionnaires, section II-1.

<sup>53</sup> Dillinger's and Salzgitter's foreign producer questionnaires, section II-2.

Table CTL-IV-25 presents the German industry's capacity, production, shipments, and inventories of CTL plate for 2000-05 as well as interim (January-June) 2005 and 2006.

German producers, in general, have not undergone capacity or production expansions during the period of review.<sup>54</sup> \*\*\* increased CTL plate capacity by \*\*\* metric tons from 2005 onwards due to available capacity previously reserved for stainless steel plate tolling operations. \*\*\* reported that since imposition of the orders in 1993, the capacity allocated to and subsequent production of subject CTL plate has declined due to an increase in demand for nonsubject products (*e.g.*, alloyed plate, X-70, and higher line pipe plate). \*\*\* expects that sales of nonsubject plate will continue to grow, and it will therefore \*\*\*. \*\*\* reported plans to add, expand, curtail, or shut down production capacity. As discussed below in greater detail, German mills produce products other than CTL plate on equipment used to produce CTL plate. However, \*\*\*.<sup>55</sup> Additionally, German plate producers expect prices in the European Union and the United States to remain stable through 2007, though commodity grade plate prices may decline due to inventory corrections by service centers and distributors.<sup>56</sup>

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<sup>54</sup> German producers reported similar production constraints in response to foreign producer questionnaire, section II-9: Thyssen reported production constraints arise from \*\*\*. Production capacity constraints for Dillinger arise from \*\*\*. Salzgitter reported that production constraints arise from the \*\*\*.

<sup>55</sup> Dillinger's, ThyssenKrupp's, and Salzgitter's foreign producer questionnaires, section II-11.

<sup>56</sup> German CTL plate respondent interested parties' posthearing brief, appendix 1, p. 4.

Table CTL-IV-25

CTL plate: Germany's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Capacity	2,485,000	2,303,000	2,521,000	2,437,000	2,333,000	2,053,000	1,105,000	1,220,000
Production	2,289,700	2,088,000	2,238,800	2,320,500	2,337,400	2,142,600	1,149,400	1,269,300
End-of-period inventories	199,500	191,100	182,800	206,600	178,800	214,700	174,300	215,300
Shipments:								
Internal consumption / transfers	132,300	123,800	129,000	153,300	126,100	170,500	97,100	106,600
Home market	1,251,100	1,007,500	1,162,500	1,182,000	1,283,900	1,025,000	578,500	635,600
Exports to:								
United States	***	***	***	***	***	***	***	***
European Union	673,000	695,600	717,000	659,700	643,600	647,500	353,200	346,000
China	***	***	***	***	***	***	***	***
Other Asia	84,300	103,800	100,800	114,300	103,200	83,800	31,300	101,800
All other markets	96,800	142,200	123,500	144,200	150,800	132,800	65,600	65,600
Total exports	862,300	965,100	955,600	961,400	955,200	911,200	478,300	526,500
Total shipments	2,245,700	2,096,400	2,247,100	2,296,700	2,365,200	2,106,700	1,153,900	1,268,700
<b>Ratios and shares (percent)</b>								
Capacity utilization	92.1	90.7	88.8	95.2	100.2	104.4	104.0	104.0
Inventories/ production	8.7	9.2	8.2	8.9	7.7	10.0	7.6	8.5
Inventories/shipments	8.9	9.1	8.1	9.0	7.6	10.2	7.6	8.5
Share of total shipments:								
Internal consumption/ transfers	5.9	5.9	5.7	6.7	5.3	8.1	8.4	8.4
Home market	55.7	48.1	51.7	51.5	54.3	48.7	50.1	50.1
Exports to:								
United States	***	***	***	***	***	***	***	***
European Union	30.0	33.2	31.9	28.7	27.2	30.7	30.6	27.3
China	***	***	***	***	***	***	***	***
Other Asia	3.8	5.0	4.5	5.0	4.4	4.0	2.7	8.0
All other markets	4.3	6.8	5.5	6.3	6.4	6.3	5.7	5.2
Total exports	38.4	46.0	42.5	41.9	40.4	43.3	41.5	41.5

Table continued on next page.

Table CTL-IV-25--Continued

CTL plate: Germany's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Value (\$1,000)</b>								
Commercial shipments:								
Home market	372,057	327,348	382,500	475,083	646,910	761,634	446,594	447,831
Exports to:								
United States	***	***	***	***	***	***	***	***
European Union	213,468	238,761	243,154	270,047	333,230	485,583	271,723	248,369
China	***	***	***	***	***	***	***	***
Other Asia	26,975	39,473	34,113	52,708	57,208	80,112	25,680	99,549
All other markets	35,906	54,361	48,308	68,047	87,448	118,021	57,322	52,951
Total exports	279,521	342,292	331,301	410,920	512,071	728,176	380,547	415,486
Total commercial shipments	651,578	669,640	713,801	886,003	1,158,981	1,489,810	827,141	863,317
<b>Unit value (per short ton)</b>								
Commercial shipments:								
Home market	\$297	\$325	\$329	\$402	\$504	\$743	\$772	\$705
Exports to:								
United States	***	***	***	***	***	***	***	***
European Union	317	343	339	409	518	750	769	718
China	***	***	***	***	***	***	***	***
Other Asia	320	380	338	461	554	956	820	978
All other markets	371	382	391	472	580	889	874	807
Total exports	324	355	347	427	536	799	795	789
Total commercial shipments	308	339	337	413	518	769	783	743
<sup>1</sup> Less than 0.05 percent. <sup>2</sup> Not applicable.								
Source: Compiled from data submitted in response to Commission questionnaires.								

The \*\*\* largest producer of CTL plate in Germany, \*\*\*, is the only German CTL plate producer to report \*\*\* during the period for which data were collected,<sup>57</sup> primarily through \*\*\*. \*\*\* reported imports primarily consisting of micro-alloy CTL plate from \*\*\*.

<sup>57</sup> \*\*\* did not, however, maintain inventories of CTL plate in the United States and \*\*\* reported no plans to export CTL plate to the United States.

German CTL plate exports are not subject to any tariff or nontariff barriers in any countries, nor subject to current investigations outside the United States.<sup>58</sup> Free trade agreements reportedly do not affect German mills' operations.<sup>59</sup> However, \*\*\* consider Europe to be their most important export market and credit the expansion of the European Union as a major sales factor. Countries outside of Europe \*\*\* account for \*\*\* percent of \*\*\* exports of CTL plate, but not as a result of the orders placed against the firm by the United States. \*\*\* has also made inroads in the \*\*\*. Additionally, while Germany is a leading CTL plate exporting country,<sup>60</sup> according to official import statistics supplied by Dillinger, Germany is a net importer of CTL plate.<sup>61</sup> German mills reportedly concentrate on producing valuable higher grade CTL plate and imports are comprised of commodity grade CTL plate.<sup>62</sup>

As shown in table CTL-IV-26, plate greater than 4 inches thick represents the largest share of shipments by thickness, but constitutes less than half of all shipments by thickness. In addition, as shown in table CTL-IV-27, the "all other" category for CTL plate constitutes the largest amount of shipments of plate for home market consumption and for non-U.S. exports. In addition, \*\*\*.

**Table CTL-IV-26**

**CTL plate: German producers' total shipments of plate, by thickness, 2005, January-June 2005, and January-June 2006**

Item	2005	Jan.-June 2005	Jan.-June 2006
<b>Quantity (<i>short tons</i>)</b>			
< 1.00"	728,300	394,400	493,800
≥ 1.00" but < 3.00"	481,700	259,500	280,700
≥ 3.00" but < 4.00"	196,200	105,700	96,900
≥ 4.00"	948,700	513,500	523,200
Total	2,354,900	1,273,100	1,394,600
Source: Compiled from data submitted in response to Commission questionnaires.			

<sup>58</sup> Dillinger's, ThyssenKrupp's, and Salzgitter's foreign producer questionnaires, section II-13 (a) and (b).

<sup>59</sup> Dillinger's, ThyssenKrupp's, and Salzgitter's foreign producer questionnaires, section I-7.

<sup>60</sup> SBBInsight, Issue 20, September 13, 2006, included in Nucor's prehearing brief, attachment 8.

<sup>61</sup> Dillinger, foreign producer questionnaire, appendix 4.

<sup>62</sup> SBBInsight, Issue 20, September 13, 2006, included in Nucor's prehearing brief, attachment 8.



Table CTL-IV-27

CTL plate: German producers' total shipments of specified plate, by market, 2005

Item	Home	U.S.	Other exports
Quantity (short tons)			
Carbon structural steel plate	300,249	***	211,652
Floor plate	0	***	0
Pressure vessel plate	111,863	***	137,109
Platform plate	9,181	***	60,510
Shipbuilding plate	130,563	***	116,958
Other plate for line pipe	104,749	***	46,449
Hot-rolled wide flat bar	0	***	0
All other cut-to-length plate	538,895	***	336,627
Total	1,195,500	***	909,306
Source: Compiled from data submitted in response to Commission questionnaires.			

### Alternative Products

As shown in table CTL-IV-28, all three German producers produced nonsubject plate (e.g., micro-alloy plate, alloy plate, grade X-70 and greater, and sheet) on the same equipment and machinery, using the same production related workers, that is used to produce subject merchandise.<sup>63</sup> Production and capacity allocation are dictated by longstanding customer relationships and project commitments. In spite of sharing production equipment, and the insubstantial amount of time and expense needed to perform the shift in product mix, \*\*\* reported that it can not switch production between CTL plate and other products due to the potential cost in losing longstanding customers that purchase these other products.

<sup>63</sup> Dillinger's, ThyssenKrupp's, and Salzgitter's foreign producer questionnaires, section II-6, and II-8.

**Table CTL-IV-28**

**CTL plate: Germany's capacity, production, and capacity utilization for subject and nonsubject CTL plate, 2005, January-June 2005, and January-June 2006**

Item	Calendar year	January-June	
	2005	2005	2006
	Quantity ( <i>short tons</i> )		
Capacity	3,684,000	1,886,000	1,904,000
Production			
Subject CTL plate	2,142,600	1,149,400	1,269,300
Specifically excluded (e.g., X-70) CTL plate	***	***	***
Micro-alloy CTL plate	***	***	***
Other nonsubject (e.g., alloy) steel plate	717,000	330,400	396,800
Total production of CTL plate	3,890,900	1,991,200	1,996,100
Capacity utilization ( <i>percent</i> )	105.6	105.6	104.8
Source: Compiled from data submitted in response to Commission questionnaires.			

Table CTL-IV-29 presents data on German production of micro-alloy CTL plate.

**Table CTL-IV-29**

**Micro-alloy CTL plate: Germany's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

## THE INDUSTRY IN MEXICO

### Overview

The Commission identified one producer of CTL steel plate in Mexico - AHMSA - in the original investigations, the first reviews, and the current second reviews.<sup>64</sup> Accordingly, the data presented on Mexican production of CTL plate for the current second reviews are for AHMSA.<sup>65</sup> AHMSA reportedly accounts for \*\*\* percent of production of CTL plate in Mexico.<sup>66</sup> Sales of CTL plate in 2005 accounted for \*\*\* percent of total firm sales from AHMSA.<sup>67</sup> Table CTL-IV-30 presents comparative information available from the original investigations, the first reviews, and these second reviews.

<sup>64</sup> USITC Publication 2664, p. I-123; USITC Publication 3364, p. PLATE-IV-8.

<sup>65</sup> AHMSA reported that it produces CTL plate in Prolongacion Juarez s/n, Monclova, Coahuila, Mexico.

<sup>66</sup> AHMSA's foreign producer questionnaire, section II-18a. Additionally, \*\*\* confirms that AHMSA is the sole producer of reversing mill plate in Mexico. \*\*\*, contained in \*\*\*.

<sup>67</sup> AHMSA's foreign producer questionnaire, section II-10.

**Table CTL-IV-30**

**CTL plate: Comparison of select Mexican industry data: 1992, 1999, and 2005**

\* \* \* \* \*

### CTL Plate Operations

AHMSA reported no changes to the character of its operations or organization since 2000.<sup>68</sup> AHMSA reported that its production methods have not changed since 2000.<sup>69</sup> As shown in CTL-IV-31, capacity has \*\*\* throughout the period. AHMSA reported minimal CTL plate exports to \*\*\* in 2001, and 2005 marked the only other year it reported exports to any markets; even then, exports accounted for only \*\*\* percent of its shipments.

AHMSA is \*\*\*.<sup>70</sup> \*\*\*<sup>71</sup> \*\*\*<sup>72</sup> \*\*\*. Mittal is purportedly interested in establishing CTL plate operations in Mexico;<sup>73</sup> \*\*\*.<sup>74</sup>

AHMSA reported that it \*\*\*.<sup>75</sup> AHMSA anticipates \*\*\*. Additionally, AHMSA estimates that high prices in the Mexican market are likely to persist for the foreseeable future.<sup>76</sup>

**Table CTL-IV-31**

**CTL plate: Mexico's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

Mexican CTL plate exports are not subject to any tariff or nontariff barriers in any countries, nor subject to current investigations in other countries.<sup>77</sup> Canada's antidumping duty order on CTL plate from Mexico was revoked in January 2003. Since then, AHMSA has reportedly shipped \*\*\* short tons to Canada. Shipments were made to \*\*\*.<sup>78</sup>

AHMSA believes that NAFTA has \*\*\*.<sup>79</sup> CTL plate demand in Mexico has grown due to \*\*\*. NAFTA is also credited with \*\*\*.

Most of AHMSA's shipments are less than one inch thick (table CTL-IV-32). CTL plate thicker than three inches accounted for \*\*\* of its shipments in 2005. Carbon structural steel plate accounted for

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<sup>68</sup> AHMSA's foreign producer questionnaires, section II-1.

<sup>69</sup> AHMSA's foreign producer questionnaires, section II-5. AHMSA's constraints arise from limited raw material supply, labor supply, and maintenance downtime. AHMSA's foreign producer questionnaire, section II-9.

<sup>70</sup> AHMSA's foreign producer questionnaires, section II-2.

<sup>71</sup> AHMSA's foreign producer questionnaire, section II-4, and II-17.

<sup>72</sup> AHMSA, however, since 1999, has been operating under suspension of payment status (ostensibly the Mexican equivalent of Chapter 11 under U.S. bankruptcy law). AHMSA argues that operating under this status makes obtaining capital difficult, thereby making capacity expansion uncertain. AHMSA's posthearing brief, p. 3, and attachment 3.

<sup>73</sup> Mittal's CTL plate posthearing brief, public exhibit 4.

<sup>74</sup> Mittal's CTL plate posthearing brief, response to Vice Chairman Aranoff's questions.

<sup>75</sup> AHMSA's foreign producer questionnaire, section I-6.

<sup>76</sup> AHMSA's posthearing brief, p 11.

<sup>77</sup> AHMSA's foreign producer questionnaire, section II-13 (a) and (b).

<sup>78</sup> AHMSA's foreign producer questionnaire, section II-13.

<sup>79</sup> AHMSA's foreign producer questionnaire, section I-7.

the \*\*\* majority of CTL plate that AHMSA ships domestically and internationally (table CTL-IV-33). AHMSA also shipped pressure vessel plate, other plate for line pipe, and all other CTL plate.

**Table CTL-IV-32**

**CTL plate: Mexican producer's total shipments of plate, by thickness, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CTL-IV-33**

**CTL plate: Mexican producer's total shipments of specified plate, by market, 2005**

\* \* \* \* \*

### Alternative Products

As shown in table CTL-IV-34, AHMSA produces subject CTL plate alone on its production related equipment. Capacity \*\*\*.<sup>80</sup>

**Table CTL-IV-34**

**CTL plate: Mexico's capacity, production, and capacity utilization for subject and nonsubject CTL plate, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

As shown in table CTL-IV-35, AHMSA plate operations include \*\*\*.

**Table CTL-IV-35**

**Wide flat bar: Mexico's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

## THE INDUSTRY IN POLAND

### Overview

The Commission identified three Polish producers of CTL plate - Huta Batory, Huta Częstochowa, and Huta Pokoj - in the original investigations<sup>81</sup> and six such producers in the first reviews, none of which responded to the first review questionnaires.<sup>82</sup> In the current second reviews, the Commission issued questionnaires to seven Polish firms believed to be producers of CTL plate and received data from Huta Stali Częstochowa (HSC) and Huta Pokoj.<sup>83 84</sup> In the most recent fiscal year,

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<sup>80</sup> AHMSA's foreign producer questionnaire, section II-6 and II-8.

<sup>81</sup> Stalexport and Huta Częstochowa provided data on these three mills.

<sup>82</sup> USITC Publication 2664, p. I-126; USITC Publication 3364, p. PLATE-IV-9.

<sup>83</sup> HSC listed HK Walcownia Blach Grubych Batory and Huta Pokoj as other known producers of CTL plate and listed Euroblacha, HSW-Zakład Metalurgiczny, and HSW-Walcownia Blach as other known producers of plate, but not necessarily CTL plate. HSC's response to the notice of institution, p. 3.

<sup>84</sup> HSC's only plant is Huta Stali Częstochowa, located in Częstochowa, Poland. HSC has two related firms, Alchevsk Iron and Steel Works and Dunafer, that produce CTL plate in the Ukraine and Hungary, respectively.

sales of CTL plate represented \*\*\* percent of HSC's total sales.<sup>85</sup> Table CTL-IV-36 presents comparative information available from the original investigations, the first reviews, and these second reviews. According to \*\*\*, there are three firms that produce reversing plate in Poland. Of these, Huta Batory, the non-responding firm, has reversing plate mill capacity of less than \*\*\* short tons.<sup>86</sup>

**Table CTL-IV-36**

**CTL plate: Comparison of select Polish industry data, 1992, 1999, and 2005**

Item	1992	1999	2005
Capacity (1,000 short tons)	***	( <sup>1</sup> )	***
Production (1,000 short tons)	***	1,175	***
Capacity utilization (percent)	***	( <sup>1</sup> )	***
Exports/shipments (percent)	***	( <sup>1</sup> )	***
Inventories/shipments (percent)	***	( <sup>1</sup> )	***
<sup>1</sup> Not applicable. <sup>2</sup> No Polish producers responded to questionnaires in the 2000 reviews. Production data are based on the 1998 heavy plate production volume provided by the Metallurgical Chamber of Industry and Commerce.  Note.--Data for 1992 were provided by Huta Czystałowa and Stalexport (on behalf of Huta Batory, Huta Czystałowa, and Huta Pokoj). Data for 2005 were provided by HSC and Huta Pokoj.  Source: Confidential original report (INV-Q-115, July 20, 1993), table 86; USITC Publication 3364, p. PLATE-IV-10; and 2006 questionnaire responses identified above.			

### CTL Plate Operations

Table CTL-IV-37 presents data on the Polish industry's capacity, production, shipments, and inventories of CTL plate for 2000-05 as well as interim (January-June) 2005 and 2006. The Polish industry producing CTL plate has changed since the period examined in the original investigations. As part of its entry into the European Union, Poland had been under pressure to privatize a significant part of its industry.<sup>87</sup> After much restructuring, including a bankruptcy filing in 2002 and a purchase by the IUD in 2005, Huta Czystałowa emerged in its current form as HSC in 2006. The restructuring \*\*\*. However, HSC did \*\*\*.<sup>88</sup> HSC reported anticipating a name change to ISD Huta Czystałowa by the end of 2006. Additionally, HSC plans to \*\*\* in 2007.<sup>89</sup>

**Table CTL-IV-37**

**CTL plate: Poland's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

<sup>85</sup> HSC could not estimate the percentage of total production of CTL plate in Poland accounted for by its production in 2005, but noted that HSC's share in quarto (discreet) plate production was \*\*\* percent. HSC's foreign producer questionnaire, section II-18a. CTL plate sales as a share of total sales is not available as Huta Pokoj supplied the Commission with basic trade data.

<sup>86</sup> \*\*\*, contained in \*\*\*. Mittal Steel USA did, however, provide the Commission with an estimate of Huta Batory's 2006 production of \*\*\* metric tons and, for 2007, estimates production of \*\*\* metric tons. E-mail from \*\*\*, November 14, 2006.

<sup>87</sup> USITC Publication 3364, p. PLATE-IV-10.

<sup>88</sup> HSC's foreign producer's questionnaire, section II-1.

<sup>89</sup> HSC's foreign producer's questionnaire, section II-2.

HSC produces CTL plate solely on plate mills. HSC's capacity \*\*\* over the period in these reviews, \*\*\*. The Polish industry's production and capacity utilization were lower in 2005 than they were in 2000.

HSC reported plans to \*\*\* because of \*\*\*. By 2010 the firm plans to \*\*\*. HSC reported planning to \*\*\*.<sup>90</sup> With its planned \*\*\*, HSC reported that its role within the IUD group is to supply higher value and nonsubject alloy products to Europe, and that the Ukrainian and Hungarian IUD mills would supply the global market with CTL plate.<sup>91</sup> However, according to HSC, the planned \*\*\*.<sup>92</sup> In the event that Poland's capacity expansions to higher grade steel do not occur, HSC will reportedly supply \*\*\*.<sup>93</sup> However, as discussed in the OVERVIEW section, CTL plate from Ukraine is subject to a suspension agreement with the United States.

As discussed in greater detail under the subheading "Alternative Products," HSC's mills reportedly produce other products on the same equipment used to produce CTL plate using the same production workers.<sup>94</sup> Additionally, HSC reported that \*\*\*.<sup>95 96</sup>

HSC reported \*\*\*.<sup>97</sup> HSC also reported that the orders \*\*\*.<sup>98</sup> A large proportion of HSC's exports in 2005 were to countries in the \*\*\*, followed by export shipments to \*\*\*. Home market shipments comprised \*\*\* percent of HSC's shipments, and exports made up \*\*\* percent.<sup>99</sup> HSC reported plans to continue targeting the markets in \*\*\*.<sup>100</sup> HSC's exports of CTL plate are not currently subject to any tariff or non-tariff barriers in any country, nor subject to current investigations in any other country.<sup>101</sup> While free trade agreements \*\*\*,<sup>102</sup> the development of the European Union - in particular its expansion in 2004, as well as reportedly favorable pricing trends, delivery times, and reaction to customer demand - is a consideration.<sup>103</sup>

As shown in table CTL-IV-38, the largest share of CTL plate shipments from Poland is less than one inch thick. As shown in table CTL-IV-39, carbon structural steel plate represents the majority of exports, while home market shipments were split between shipbuilding plate and carbon structural steel plate.

**Table CTL-IV-38**

**CTL plate: Poland's total shipments of plate, by thickness, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

<sup>90</sup> HSC's posthearing brief, p. 2-5; *see also* HSC's foreign producer questionnaire, section II-4.

<sup>91</sup> HSC's posthearing brief, p. 8.

<sup>92</sup> HSC's foreign producer questionnaire, section II-8, and HSC's posthearing brief, p. 3.

<sup>93</sup> HSC's posthearing brief, p. 10.

<sup>94</sup> HSC's foreign producer questionnaire, section II-6 and II-8.

<sup>95</sup> HSC's foreign producer questionnaire, section II-11.

<sup>96</sup> HSC reported \*\*\*. HSC's foreign producer questionnaire, section II-9.

<sup>97</sup> HSC's foreign producer questionnaire, section II-12 and II-18a.

<sup>98</sup> HSC's foreign producer questionnaire, section II-15 and II-16.

<sup>99</sup> Poland is reportedly a net importer of hot-rolled steel in general and CTL plate in particular. HSC's response to the notice of institution, p. 3.

<sup>100</sup> HSC's foreign producer questionnaire, section II-14.

<sup>101</sup> HSC's foreign producer questionnaire, section II-13.

<sup>102</sup> HSC's foreign producer questionnaires, section I-7.

<sup>103</sup> HSC's response to the notice of institution, p. 3.

**Table CTL-IV-39**

**CTL plate: Poland's total shipments of specified plate, by market, 2005**

\* \* \* \* \*

### Alternative Products

As shown in table CTL-IV-40, of the CTL plate HSC produces, a substantial minority is nonsubject, primarily micro-alloy plate. In addition to subject CTL plate, HSC produces \*\*\*. HSC reported planning to increase production of these products relative to CTL plate.<sup>104</sup>

**Table CTL-IV-40**

**CTL plate: Poland's capacity, production, and capacity utilization for subject and nonsubject CTL plate, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

Table CTL-IV-41 provides additional details on HSC's operations on micro-alloy steel plate.

**Table CTL-IV-41**

**Micro-alloy CTL plate: Poland's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

## THE INDUSTRY IN ROMANIA

### Overview

The Commission identified two Romanian producers of CTL plate - Sidex SA Galati and Metalexportimport - in the original investigations and one such producer - Sidex - in the first reviews.<sup>105</sup> In the current second reviews, the Commission issued questionnaires to, and received data from, Mittal Steel ("MS") Galati.<sup>106</sup> In the most recent fiscal year, sales of CTL plate represented \*\*\* percent of MS Galati's total sales.<sup>107</sup> This amount reportedly accounts for all or nearly all of CTL plate production in Romania.<sup>108</sup> According to \*\*\*, MS Galati represents \*\*\* in Romania.<sup>109</sup> Table CTL-IV-42 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table CTL-IV-42**

**CTL plate: Comparison of select Romanian industry data, 1992, 1999, and 2005**

\* \* \* \* \*

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<sup>104</sup> HSC's foreign producer questionnaire, section II-6.

<sup>105</sup> USITC Publication 2664, p. I-128; USITC Publication 3364, p. PLATE-IV-11.

<sup>106</sup> MS Galati has the following affiliate companies: Mittal Steel USA in the United States, Mittal Steel Annaba in Algeria, Mittal Steel Skopje in the Former Yugoslav Republic of Macedonia, and Mittal Steel SA in South Africa. MS Galati's foreign producer questionnaire, section I-5.

<sup>107</sup> MS Galati's foreign producer questionnaire, section II-10.

<sup>108</sup> MS Galati's foreign producer questionnaire, section II-18a.

<sup>109</sup> \*\*\*, contained in \*\*\*.

## CTL Plate Operations

Prior to 2001, MS Galati was a state-owned company operating as Sidex. The company was purchased by LNM Holdings in 2001 and then acquired by Ispat International in 2004. Prior to privatization, in 1998, Sidex \*\*\*. After the company was privatized, the decision was made \*\*\*. This explains the increase in capacity from 2000 to 2001.<sup>110</sup> However, there were no physical changes to production capabilities, and MS Galati reported no anticipated changes to production of CTL plate in the future.<sup>111</sup>

Table CTL plate IV-43 presents the Romanian industry's capacity, production, shipments, and inventories of CTL plate for 2000-05 as well as interim (January-June) 2005 and 2006.

**Table CTL-IV-43**

**CTL plate: Romania's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

MS Galati's capacity increased from 2000 to 2003, and then began decreasing, but \*\*\*. From 2000 to 2004, production of CTL plate increased substantially, but then decreased from 2004 to 2005. Capacity utilization fluctuated \*\*\* between \*\*\* percent and \*\*\* percent.

MS Galati \*\*\*.<sup>112</sup> Additionally, MS Galati reported \*\*\*.<sup>113</sup> CTL plate is not produced on machinery used in the production of other products, \*\*\*.<sup>114</sup> In general, both capacity and production increased for MS Galati over the period reviewed.<sup>115 116 117</sup>

MS Galati \*\*\*. Exports were greater in 2005 than in 2000, but exports to the United States in 2004 were \*\*\*. MS Galati reported that the current orders had no effect on its exports to the United States and anticipated no effect on exports should the orders change.<sup>118</sup> MS Galati's exports are currently subject to tariff or non-tariff barriers to trade in Argentina, Canada, Mexico, and Thailand, but MS Galati is not subject to current investigations in any other country nor is it affected by free trade agreements.<sup>119</sup> Markets in Asia, specifically \*\*\*, received the largest proportion of MS Galati's exports, followed by the European Union.<sup>120</sup>

Production of CTL plate in Romania takes place primarily on plate mills. Less than \*\*\* of Romanian CTL plate production is on hot-strip mills.<sup>121</sup>

As shown in table CTL-IV-44, the largest share of CTL plate shipments from Romania was of CTL plate less than one inch thick. In addition, as shown in table CTL-IV-45, carbon structural steel

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<sup>110</sup> E-mail from \*\*\*, September 5, 2006.

<sup>111</sup> MS Galati's foreign producer questionnaire, section II-1.

<sup>112</sup> MS Galati's foreign producer questionnaire, section II-17.

<sup>113</sup> MS Galati's foreign producer questionnaire, section II-4.

<sup>114</sup> MS Galati's foreign producer questionnaire, section II-6 and II-11.

<sup>115</sup> MS Galati's foreign producer questionnaire, section II-18a.

<sup>116</sup> Most subject CTL plate was produced in \*\*\*. MS Galati's foreign producer questionnaire, section II-5.

<sup>117</sup> MS Galati reported \*\*\*. MS Galati's foreign producer questionnaire, section II-9.

<sup>118</sup> MS Galati's foreign producer questionnaire, section II-15 and II-16.

<sup>119</sup> MS Galati's foreign producer questionnaire, section II-13 and I-7.

<sup>120</sup> MS Galati's foreign producer questionnaire, section II-18a.

<sup>121</sup> MS Galati's foreign producer questionnaire, section II-7.



plate accounted for the largest portion of Galati's total shipments, followed by shipbuilding plate and pressure vessel plate.

**Table CTL-IV-44**

**CTL plate: Romanian producer's total shipments of plate, by thickness, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CTL-IV-45**

**CTL plate: Romanian producer's total shipments of specified plate, by market, 2005**

\* \* \* \* \*

### Alternative Products

As shown in table CTL-IV-46, the majority of CTL plate production by MS Galati is subject merchandise. However, MS Galati also reported production of \*\*\* amounts of micro-alloy plate, the data of which is presented in table CTL-IV-47.

**Table CTL-IV-46**

**CTL plate: Romanian capacity, production, and capacity utilization for subject and nonsubject CTL plate, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CTL-IV-47**

**Micro-alloy CTL plate: Romania's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

## THE INDUSTRY IN SPAIN

### Overview

The Commission identified one producer of CTL plate - Ensidesa - in the original investigations and one in the first review- Arceralia.<sup>122</sup> In the current second reviews, the Commission issued questionnaires to Arceralia but received no response.<sup>123</sup> Table CTL-IV-48 presents comparative information available from the original investigations, the first reviews, and these second reviews. According to \*\*\*, Arceralia represents all Spanish \*\*\*.<sup>124</sup>

**Table CTL-IV-48**

**CTL plate: Comparison of select Spanish industry data: 1992, 1999, and 2005**

\* \* \* \* \*

Table CTL-IV-49 presents data on Spanish exports of CTL plate.

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<sup>122</sup> USITC Publication 2664, p. I-129; USITC Publication 3364, p. PLATE-IV-11.

<sup>123</sup> Staff were unable to locate any plate-specific information on Arcelor's website or Eucomsa's website.

<sup>124</sup> \*\*\*, contained in \*\*\*.

Table CTL-IV-49

CTL plate: Spanish exports by destination, 2000-05

Partner Country	2000	2001	2002	2003	2004	2005
Quantity ( <i>short tons</i> )						
Top 5 EU destinations:						
France	116,093	86,756	65,299	67,969	72,226	77,207
Portugal	41,797	39,127	43,035	40,386	53,198	55,858
United Kingdom	43,357	48,237	43,645	33,982	27,062	18,072
Germany	9,562	20,004	18,098	19,549	22,154	17,295
Netherlands	26,830	38,882	27,357	13,676	19,171	17,067
All Other EU	23,393	25,938	53,427	34,836	28,676	22,853
Total EU	261,032	258,944	250,861	210,398	222,488	208,351
Top 5 Non-EU destinations:						
South Korea	16	5	99	3	8	13,650
Syria	0	0	41	1,094	2,902	5,716
Brazil	129	1	18	4	16	5,173
Cuba	5,002	2,673	4,970	11,726	4,076	3,333
Turkey	1,721	5,665	1,587	1,373	1,660	2,569
All Other Non-EU destinations	22,114	26,387	44,048	25,226	13,116	17,820
World total	290,013	293,677	301,624	249,823	244,267	256,613
Note.--HS codes included: 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7211.13, 7211.14, 7211.90, 7212.40, and 7212.50.						
Source: Reported by Global Trade Atlas.						

## THE INDUSTRY IN SWEDEN

### Overview

The Commission identified one producer of CTL plate - SSAB - in the original investigations and the first reviews.<sup>125</sup> In the current second reviews, the Commission issued questionnaires to SSAB but received no response. SSAB is believed to account for all of the plate produced in Sweden.<sup>126 127</sup> Table CTL-IV-50 presents comparative information available from the original investigations, the first reviews, and these second reviews. According to \*\*\*, SSAB represents all Swedish \*\*\*.<sup>128</sup>

<sup>125</sup> USITC Publication 2664, p. I-130; USITC Publication 3364, p. PLATE-IV-12.

<sup>126</sup> \*\*\*.

<sup>127</sup> SSAB has two plants that produce CTL plate: SSAB Oxelösund and SSAB Tunnplat.  
[http://www.ssabox.com/company/en\\_index.htm](http://www.ssabox.com/company/en_index.htm), retrieved September 23, 2006.

<sup>128</sup> \*\*\*, contained in \*\*\*.

Table CTL-IV-50

CTL plate: Comparison of select Swedish industry data: 1992, 1999, and 2005

Item	1992	1999	2005
Capacity (1,000 short tons)	***	***	*** <sup>1 2</sup>
Production (1,000 short tons)	***	***	697 <sup>1 3</sup>
Capacity utilization (percent)	***	***	( <sup>4</sup> )
Exports/shipments (percent)	***	***	90.0 <sup>3</sup>
Inventories/shipments (percent)	***	***	( <sup>5</sup> )

<sup>1</sup> Original data published in metric tons, which were converted to short tons by multiplying by 1.102311.

<sup>2</sup> \*\*\*.

<sup>3</sup> Data are for heavy plate produced at Oxelösund. [http://www.ssabox.com/company/en\\_index.htm](http://www.ssabox.com/company/en_index.htm)

<sup>4</sup> Cannot be calculated from data reported in table because capacity and production come from different sources.

<sup>5</sup> Data are not available.

Note.--Data for 1992 were provided by SSAB. Data for 1999 were provided by SSOX and SSTP (sister companies owned by SSAB). Data for 2005 were calculated from SSAB's website and \*\*\* data.

Source: Confidential original report (INV-Q-115, July 20, 1993), table 90; Confidential first review report (INV-X-221, October 18, 2000), table PLATE-IV-11; and SSAB's website and \*\*\* data.

From 1999 to 2005, SSAB's heavy plate production increased by 144,000 tons.<sup>129</sup> However, according to SSAB's 2005 annual report, the company has been focusing on increasing production of high-strength steel and other niche products.<sup>130</sup> In March 2006, SSAB's Board of Directors approved investment of SEK 900 million at SSAB Oxelösund for continued expansion of quenched steel capacity, such as abrasion-resistant and extreme high-strength construction steels. SSAB is also investing in a new slag granulation plant and a sheet center in China.<sup>131</sup> Additionally, according to SSAB's half-year 2006 presentation, SSAB plans on reducing the volume of normal heavy plate production in favor of niche products (such as quenched steel). Core niche products reportedly increased from 34 percent to 38 percent of SSAB's production.<sup>132</sup> In July 2006, SSAB reported its second highest half-year profit as well as a higher inflow of orders and more sales than in 2005.<sup>133</sup>

According to official U.S. import statistics, Sweden's shipments of CTL plate to the United States have been minimal during the period for which data were collected during these second reviews. In 2005, 90 percent of SSAB Oxelösund's CTL plate was exported, and Germany was reportedly its biggest export market. Further, SSAB Oxelösund reported maintaining extensive stocks in more than 40 countries.<sup>134</sup> Table CTL-IV-51 presents data on Swedish exports of CTL plate.

<sup>129</sup> Response of domestic producers to notice of institution, p. 19, and SSAB 2004 annual reports, found at [www.ssab.com/uk](http://www.ssab.com/uk).

<sup>130</sup> [http://www.ssab.com/templates/IFrame\\_784.aspx](http://www.ssab.com/templates/IFrame_784.aspx), retrieved September 5, 2006.

<sup>131</sup> [http://www.ssab.com/templates/PressRelease\\_817.aspx?releaseId=207362](http://www.ssab.com/templates/PressRelease_817.aspx?releaseId=207362), retrieved September 5, 2006.

<sup>132</sup> [http://www.ssab.com/upload/SSAB2Q06\\_International.pdf](http://www.ssab.com/upload/SSAB2Q06_International.pdf), retrieved September 5, 2006.

<sup>133</sup> [http://www.ssab.com/templates/PressRelease\\_817.aspx?releaseId=222962](http://www.ssab.com/templates/PressRelease_817.aspx?releaseId=222962), retrieved September 5, 2006.

<sup>134</sup> [www.ssabox.com/company/en\\_index.htm](http://www.ssabox.com/company/en_index.htm), retrieved September 5, 2006.

Table CTL-IV-51

CTL plate: Swedish exports, by destination, 2000-05

Partner Country	2000	2001	2002	2003	2004	2005
Quantity ( <i>short tons</i> )						
Top 5 EU destinations:						
Germany	110,190	99,962	109,386	89,978	122,593	91,047
Denmark	103,149	97,853	81,943	86,515	69,531	70,124
Finland	50,341	47,519	37,036	46,665	36,377	33,168
Poland	32,013	37,524	15,986	17,784	25,094	22,171
Spain	15,155	25,105	21,464	16,242	16,530	20,564
All Other EU	192,192	196,974	136,704	98,813	114,961	99,872
Total EU	503,039	504,937	402,519	355,997	385,086	336,946
Top 5 Non-EU destinations:						
Norway	43,031	45,144	45,228	34,172	33,378	29,166
Switzerland	10,552	8,761	7,081	7,101	8,450	6,482
Syria	98	1,243	927	2,013	2,918	4,403
Pakistan	200	348	360	148	267	3,592
Russia	2,641	5,131	3,076	3,914	5,511	2,319
All Other Non-EU destinations	14,844	22,393	23,742	39,799	18,252	12,180
World total	574,406	587,957	482,933	443,143	453,862	395,087
Note.--HS codes included: 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7211.13, 7211.14, 7211.90, 7212.40, and 7212.50.						
Source: Reported by Global Trade Atlas.						

## THE INDUSTRY IN TAIWAN

### Overview

The Commission identified ten small producers of CTL plate as well as the startup facility of China Steel Corp. in the original investigations and used data provided by the American Institute of Taiwan in the first reviews.<sup>135</sup> In the current second reviews, the Commission issued questionnaires to three producers in Taiwan, one of which responded.<sup>136</sup> Accordingly, the data presented on Taiwan production of CTL plate for the current second reviews are for China Steel. According to \*\*\*, China Steel represents all Taiwan \*\*\*.<sup>137</sup> CTL plate sales represented \*\*\* percent of China Steel's total sales. China Steel reportedly represents \*\*\* percent of production of CTL plate in Taiwan. Table CTL-IV-52 presents comparative information available from the original investigations, the first reviews, and these second reviews.

<sup>135</sup> USITC Publication 970, p. A7; USITC Publication 3364, p. PLATE-IV-12.

<sup>136</sup> The two non-responding producers are Chin Ho Fa Steel & Iron Co. Ltd. and Tung Ho Steel Enterprise Corp.

<sup>137</sup> \*\*\*, contained in \*\*\*.

**Table CTL-IV-52**

**CTL plate: Comparison of select Taiwan industry data: 1978, 1999, and 2005**

Item	1978	1999	2005
Capacity (1,000 short tons)	440	***	***
Production (1,000 short tons)	( <sup>1</sup> )	***	***
Capacity utilization (percent)	( <sup>1</sup> )	***	***
Exports/shipments (percent)	( <sup>2</sup> )	***	***
Inventories/shipments (percent)	( <sup>1</sup> )	***	***

<sup>1</sup> Data not provided.

<sup>2</sup> According to the staff report from the original investigation, a sizeable portion of China Steel Corporation's output was exported to the United States.

Note.--Data for 1978 are from the original staff report; data for 1999 were provided by U.S. Department of State telegram, 003117, American Institute of Taiwan, Taipei, September 29, 2000 for CSC. Data for 2005 were provided by China Steel.

Source: *Carbon Steel Plate From Taiwan, Investigation No. AA1921-197*, USITC Publication 970, May 1979, pages A7-8; confidential first review report (INV-X-221, October 18, 2000), table PLATE-IV-12; and 2006 questionnaire responses identified above.

### CTL Plate Operations

Table CTL-IV-53 presents China Steel's capacity, production, shipments, and inventories of CTL plate for 2000-05 as well as interim (January-June) 2005 and 2006. As shown, production of CTL plate by China Steel \*\*\*. Indeed, China Steel reported \*\*\*.<sup>138</sup> China Steel \*\*\*. Capacity has remained constant at more than \*\*\* short tons per year, and there have been \*\*\*.<sup>139</sup> In spite of operating \*\*\* during the entire period, China Steel reported \*\*\*,<sup>140</sup> nor \*\*\*.<sup>141</sup>

Home market shipments accounted for more than \*\*\* percent of total shipments throughout the period for which data were collected. Total exports as a share of shipments declined from \*\*\* percent in 2000 to \*\*\* percent in 2005. Asia was the only reported market to which China Steel ships. According to China Steel's questionnaire, the producer's principal Asian market includes \*\*\*.<sup>142</sup> However, according to official import statistics from China,<sup>143</sup> imports from Taiwan are substantial. In fact, China Steel recognizes that \*\*\*<sup>144</sup>, since Taiwan regulations stipulate that exports from Taiwan to China must go through Hong Kong.<sup>144</sup> There were no reported exports of CTL plate to the United States during the period for which data were collected. Indeed, China Steel reported \*\*\*,<sup>145</sup> nor \*\*\*.<sup>146</sup> China Steel reported that its CTL plate exports are not subject to any tariff or nontariff barriers in any countries, nor

<sup>138</sup> China Steel's foreign producer questionnaire, section II-9.

<sup>139</sup> China Steel's foreign producer questionnaire, section II-1.

<sup>140</sup> China Steel's foreign producer questionnaire, section II-2.

<sup>141</sup> Likewise, China Steel reported \*\*\*. China Steel's foreign producer questionnaires, section II-4 and II-17.

<sup>142</sup> China Steel's foreign producer questionnaire, section II-18a.

<sup>143</sup> Mittal's prehearing brief, exhibit 1.

<sup>144</sup> E-mail from \*\*\*, November 3, 2006.

<sup>145</sup> Consequently, China Steel reported \*\*\*. China Steel's foreign producer questionnaire, section II-12.

<sup>146</sup> China Steel's foreign producer questionnaire, section I-6.

subject to current investigations in any other country.<sup>147</sup> Free trade agreements reportedly \*\*\*.<sup>148</sup> If the orders were to be revoked, China Steel believes that \*\*\*.<sup>149</sup>

**Table CTL-IV-53**

**CTL plate: Taiwan's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

As shown in table CTL-IV-54, shipments of plate product less than 1 inch thick represent the largest share of total plate shipments. In addition, as shown in table CTL-IV-55, carbon structural steel plate accounts for the majority of shipments of plate for home market consumption and non-U.S. exports.

**Table CTL-IV-54**

**CTL plate: Taiwan total shipments of plate, by thickness, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CTL-IV-55**

**CTL plate: Taiwan total shipments of specified plate, by market, 2005**

\* \* \* \* \*

### Alternative Products

As shown in table CTL-IV-56, China Steel does not produce nonsubject CTL plate. China Steel produces CTL plate \*\*\*.<sup>150</sup> Therefore, \*\*\*.<sup>151</sup>

**Table CTL-IV-56**

**CTL plate: Taiwan's production capacity, production, and capacity utilization for subject and nonsubject CTL plate, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

## THE INDUSTRY IN THE UNITED KINGDOM

### Overview

The Commission identified one producer of CTL steel plate in the United Kingdom - British Steel - in the original investigations and one such producer in the first reviews - Corus Steel.<sup>152</sup> In the current second reviews, the Commission issued questionnaires to four producers in the United Kingdom (Corus, Niagara Lasalle, Spartan, and Celsa), all of which responded and are parties. The data presented on production of CTL plate in the United Kingdom for the current second reviews are for Corus, Niagara

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<sup>147</sup> China Steel's foreign producer questionnaire, section II-13 (a) and (b).

<sup>148</sup> China Steel's foreign producer questionnaire, section I-7.

<sup>149</sup> China Steel's foreign producer questionnaire, section II-3.

<sup>150</sup> China Steel's foreign producer questionnaire, section II-6.

<sup>151</sup> China Steel's foreign producer questionnaire, section II-11.

<sup>152</sup> USITC Publication 2664, p. I-131; USITC Publication 3364, p. PLATE-IV-13.

LaSalle, and Spartan.<sup>153</sup> According to \*\*\*, there are three reversing plate mills in the United Kingdom, all of which are accounted for in this report.<sup>154</sup> In 2005, Corus reportedly accounted for \*\*\* percent of production of CTL plate in the United Kingdom, Spartan estimated that it accounted for \*\*\* percent, and Niagara LaSalle for \*\*\* percent.<sup>155</sup> Sales of CTL plate in 2005 accounted for \*\*\* percent of total sales from Spartan, \*\*\* percent from Corus, and \*\*\* percent from Niagara LaSalle.<sup>156</sup> Table CTL-IV-57 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table CTL-IV-57**

**CTL plate: Comparison of select UK industry data, 1992, 1999, and 2005**

\* \* \* \* \*

### CTL Plate Operations

\*\*\* reported that its \*\*\*.<sup>157</sup> In 2004, Corus sold its Tuscaloosa Plant in Alabama to Nucor, and thus no longer has any production facilities in the United States. \*\*\*. Neither firm \*\*\*,<sup>158</sup> and neither has \*\*\*.<sup>159</sup> <sup>160</sup> \*\*\*, but in 2005 \*\*\*. \*\*\*.<sup>161</sup>

Spartan began operations in 2001. It was known previously as Spartan Redheugh, whose assets were acquired through bankruptcy procedures by the Italian firm Trametal SpA in 1999. In 2001, Trametal established Spartan UK Ltd as a UK-registered company, and transferred the assets to Spartan.<sup>162</sup> Spartan reported that it expects no changes to the character of its operations or organization<sup>163</sup> and has \*\*\*.<sup>164</sup>

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<sup>153</sup> Niagara LaSalle and Celsa solely produce wide flat bars. Celsa did not supply the Commission with a completed questionnaire, but did provide partial shipment data. Because Celsa provided only partial shipment data, its information is not included in the UK data in this report.

<sup>154</sup> \*\*\*, contained in \*\*\*.

<sup>155</sup> Corus' and Niagara LaSalle's foreign producer questionnaires, section II-18a.

<sup>156</sup> Corus' and Niagara LaSalle's foreign producer questionnaires, section II-10.

<sup>157</sup> Corus' foreign producer questionnaire, section II-1.

<sup>158</sup> Corus' and Niagara LaSalle's foreign producer questionnaires, section II-2.

<sup>159</sup> Corus' foreign producer questionnaire, section II-4.

<sup>160</sup> On October 20, 2006, Tata, an Indian steel firm, offered to acquire Corus. The board of directors recommended approving the takeover. Corus argues that the potential acquisition should have no impact on the Commission's analysis, believing that any new owners would be pleased with Corus' plate operations. Corus' posthearing brief, attachment O. However, domestic interested party Nucor argues that there is no reason to believe that new management would adopt the same strategy as Corus' current management. Nucor's posthearing brief, attachment 1.

<sup>161</sup> Corus' and Niagara LaSalle's foreign producer questionnaires, section II-17.

<sup>162</sup> Spartan's foreign producer questionnaire, section II-1.

<sup>163</sup> Spartan's foreign producer questionnaire, section II-2.

<sup>164</sup> Spartan's foreign producer questionnaire, section II-4.

Table CTL-IV-58 illustrates the decline in production capacity after Corus \*\*\*.<sup>165</sup> UK capacity utilization reached its high mark \*\*\*, and was no less than \*\*\* percent since 2002.<sup>166</sup> \*\*\*.<sup>167</sup>

The only reported export shipment of CTL plate from the United Kingdom to the United States was \*\*\* short tons in \*\*\*. No firm reported \*\*\*.<sup>168</sup> Throughout the period for which data were collected, home market shipments constituted more than \*\*\* of total CTL shipments, exports accounted for \*\*\*, and internal consumption and company transfers accounted for the remainder.

UK CTL plate exports are not subject to any tariff or nontariff barriers in any countries, nor subject to current investigations in any other country.<sup>169</sup> \*\*\* noted that many countries maintain \*\*\* specific import tariffs, whose effects on \*\*\* trading policies are negligible. \*\*\* has, however, been subject to Canadian antidumping orders which were rescinded in 1998. Subsequent to the rescission, \*\*\*.

Niagara LaSalle reported \*\*\*. Corus reported \*\*\*, it did not develop alternative export markets as a result of the orders. \*\*\*.<sup>170</sup> Corus projects 2007 shipments of CTL plate outside Europe to range from \*\*\*.<sup>171</sup>

**Table CTL-IV-58**

**CTL plate: United Kingdom's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

Table CTL-IV-59 shows that most shipments in 2005 of CTL plate were less than one inch thick. In 2005, carbon structural steel plate accounted for the majority of home market shipments and exports (table CTL-IV-60).

**Table CTL-IV-59**

**CTL plate: United Kingdom's total shipments of plate, by thickness, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CTL-IV-60**

**CTL plate: United Kingdom's total shipments of specified plate, by market, 2005**

\* \* \* \* \*

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<sup>165</sup> Corus' revised October 27, 2006 foreign producer questionnaire, section II-18a.

<sup>166</sup> Niagara LaSalle reported production constraints arising from the \*\*\*. For Corus, capacity constraints are due to \*\*\*. Corus' and Niagara LaSalle's foreign producer questionnaires, section II-9. Currently, Corus has \*\*\*. Corus' foreign producer questionnaire, section II-18a.

<sup>167</sup> Corus' foreign producer questionnaire, section II-2.

<sup>168</sup> Corus' and Niagara LaSalle's foreign producer questionnaires, section II-12.

<sup>169</sup> Corus' and Niagara LaSalle's foreign producer questionnaires, section II-13 (a) and (b).

<sup>170</sup> Corus', Niagara LaSalle's, and Spartan's foreign producer questionnaires, section II-14.

<sup>171</sup> Corus' posthearing brief, attachment 2.



## Alternative Products

Table CTL-IV-61 presents data on overall British plate production. Niagara LaSalle reported that \*\*\*, but Corus reported that \*\*\*.<sup>172</sup>

### Table CTL-IV-61

**CTL plate: United Kingdom's capacity, production, and capacity utilization for subject and nonsubject CTL plate, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

Table CTL-IV-62 presents data on UK production of wide flat bar.

### Table CTL-IV-62

**Wide flat bar: United Kingdom's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

Table CTL-IV-63 presents data on UK production of micro-alloy CTL plate.

### Table CTL-IV-63

**Micro-alloy CTL plate: United Kingdom's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

## GLOBAL MARKET

### Production

Global production of reversing mill plate products has grown considerably in recent years. According to one published source,<sup>173</sup> global production of reversing mill plate increased by \*\*\* percent between 1994 and 1999, and by \*\*\* percent between 2000 and 2005. In terms of sheer volume, the East and Southeast Asia region accounted for the greatest production increases in both periods, and is forecast to lead global production in the coming years as well. Data compiled by \*\*\* on historical, current, and projected global production of reversing mill plate are presented in tables CTL-IV-64 through CTL-IV-66.<sup>174</sup>

### Table CTL-IV-64

**Reversing mill plate: Global and regional production of reversing mill plate, 1994-99**

\* \* \* \* \*

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<sup>172</sup> Corus' and Niagara Lasalle's foreign producer questionnaires, section II-11.

<sup>173</sup> \*\*\*.

<sup>174</sup> Production data compiled by \*\*\* are for reversing mill plate and are believed to account for the large majority of global CTL plate production. Such data do not include plate cut from coils produced on hot strip mills or on combination (or "Steckel") mills, as such mills are not dedicated to plate production. \*\*\* data do not distinguish between carbon and non-carbon steel; accordingly, the production totals reported for reversing mill plate production are somewhat overstated.

**Table CTL-IV-65****Reversing mill plate: Global and regional production of reversing mill plate, 2000-05**

*	*	*	*	*	*	*
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**Table CTL-IV-66****Reversing mill plate: Forecast of global and regional production of reversing mill plate, 2005-10**

*	*	*	*	*	*	*
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### Consumption

Data compiled by \*\*\* on historical, current, and forecast global consumption of reversing mill plate are presented in tables CTL-IV-67 through CTL-IV-69.<sup>175</sup> Worldwide consumption of reversing mill plate increased by \*\*\* percent between 1994 and 1999, despite reductions in consumption in North America and Latin America. Worldwide consumption increased by \*\*\* percent between 2000 and 2005, paced by a near-\*\*\* of consumption in East and Southeast Asia. Global consumption of reversing mill plate is forecast to continue to grow in the coming years, with the growth evenly distributed in all major markets except Europe.<sup>176</sup>

**Table CTL-IV-67****Reversing mill plate: Global and regional consumption of reversing mill plate, 1994-99**

*	*	*	*	*	*	*
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**Table CTL-IV-68****Reversing mill plate: Global and regional consumption of reversing mill plate, 2000-05**

*	*	*	*	*	*	*
---	---	---	---	---	---	---

**Table CTL-IV-69****Reversing mill plate: Forecast of global and regional consumption of reversing mill plate, 2005-10**

*	*	*	*	*	*	*
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### Prices

The Commission asked producers, importers, and purchasers to compare market prices of CTL plate in U.S. and non-U.S. markets. Three responding producers reported that U.S. prices are generally higher than prices in other markets. \*\*\* reported that prices of CTL plate in the United States are similar to prices in Canada. Importers also generally reported that U.S. prices are higher than prices in other markets. However, \*\*\* reported that U.S. prices are similar to prices in other markets. Most purchasers

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<sup>175</sup> Consumption data compiled by \*\*\* are for reversing mill plate and are believed to account for the large majority of global CTL plate consumption, although such data do not include plate cut from coils produced on a strip mill or Steckel mill plate. \*\*\* data do not distinguish between carbon and non-carbon steel; accordingly, the consumption totals reported for reversing mill plate are somewhat overstated.

<sup>176</sup> See Part CTL-II of this report for the individual perspectives of U.S. producers, importers, and purchasers on demand in the United States and in other markets.

were unable to compare prices, but two reported that prices were approximately the same in various markets and two reported that U.S. prices are generally higher than anywhere else.<sup>177</sup>

Published price data are available from several reputable sources, although often such data are available by subscription only and cannot be reproduced without consent of their publisher. These data, however, are collected based on different product categories, timing, and commercial considerations, and therefore may not be directly comparable with each other. Moreover, such data are distinct from the pricing data presented in Part CTL-V of this report, which are collected directly from U.S. producers and U.S. importers via the Commission's questionnaires according to precise product definitions.

As reported by MEPS, world prices for hot-rolled plate declined irregularly between January 2000 and February 2002, decreasing from \$283 per short ton to \$242 per short ton during that time. Thereafter, prices recovered, slowly at first, then more rapidly, surpassing \$300 per short ton in February 2003, \$400 per short ton in March 2004, \$500 per short ton in May 2004, and \$600 per short ton in September 2004. World prices peaked in January 2005 at \$686 per short ton, then declined to as low as \$586 per short ton in February 2006 before rebounding to \$685 per short ton by September.<sup>178 179</sup>

As presented in table CTL-IV-70, country-specific monthly transaction prices for hot-rolled plate are also compiled by MEPS,<sup>180</sup> and show monthly price fluctuations across major producing countries. According to data compiled by MEPS, for January 2005 through November 2006, U.S. negotiated transaction prices for U.S.-produced hot-rolled plate generally decreased over the first three quarters of 2005 before increasing in the fourth quarter of 2005 and in 2006, and in the fall of 2006 reached their highest price levels in the January 2005 - November 2006 period. In Europe, major steel market prices for hot-rolled plate generally decreased from January 2005 through the first quarter of 2006, before recovering in the second quarter of 2006. At the start of 2005, transaction prices in Europe were generally higher than transaction prices in the United States, but, by the second quarter of 2005, these trends were reversing, with U.S. prices being the highest relative to most European prices in the first quarter of 2006. U.S. prices and European prices are currently very similar. Prices in Poland followed a slightly different trend, increasing in the first quarter of 2005 and remaining higher than U.S. prices into the fourth quarter of 2005. Prices in Poland dropped much lower relative to U.S. prices in the second quarter of 2006 than the other European prices. In the U.S. market, prices exceeded those in the Taiwan market throughout 2005 and 2006 year-to-date, with price differentials in the \$\*\*\* range.

**Table CTL-IV-70**

**Hot-rolled plate: Negotiated transaction prices (ex mill) for prime hot-rolled plate, by subject country and by month, January 2005-October 2006**

\* \* \* \* \*

In addition, \*\*\* compiles country- and region-specific monthly prices for steel plate, presented in table CTL-IV-71. According to these data, U.S. prices were relatively stable during 2000-03, though clearly "softer" in 2001 than in any other year. Reported U.S. prices rose sharply over the course of

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<sup>177</sup> \*\*\* reported that in early 2006, U.S. prices were approximately \$140 to \$200 per ton higher than the price of steel from Thailand, \*\*\* reported that U.S. prices are slightly higher than Canadian prices, and \*\*\* reported that U.S. prices are higher but did not specify what country or market it was using as a comparison.

<sup>178</sup> Original data are published in metric tons, and were converted to short tons using the following conversion factor: 1 metric ton = 1.102311 short tons. MEPS, *World Carbon Steel Product Prices*, found at <http://www.meps.co.uk>, retrieved on September 6, 2006, and updated on November 8, 2006 and December 1, 2006. This pricing series is available to the public and its use is unrestricted.

<sup>179</sup> Prices are an arithmetic average of the low transaction values identified in the EU, Asia, and North America, converted into U.S. dollars.

<sup>180</sup> MEPS, *International Steel Review*, January 2005 - November 2006.

2004, retrenched in 2005, but have shown signs of strengthening further in 2006. German, UK, EU export, and Japan export prices likewise could be viewed as relatively stable between 2000 and 2003, albeit without the “softness” that characterized the U.S. market in 2001. In contrast, Far East prices proved more volatile, and like U.S. prices did fall to lower levels in 2001. In 2004, all reported prices increased over the course of the year, though none as sharply as U.S. prices. Indeed, Far East prices increased only modestly. In 2005, most non-U.S. prices initially increased or at least maintained newly-established levels, but over the course of the year softened, with the exception of Japan export prices. Through November 2006, however, non-U.S. prices have largely recovered, with the exception of Japan export prices.<sup>181</sup>

Based on \*\*\*’s published monthly prices for steel plate, U.S. prices were generally higher than non-U.S. prices. Over the 83-month period presented in table CTL-IV-71, U.S. prices were consistently and noticeably higher than Far East (and later China) prices. Japan export prices were frequently higher than U.S. prices from late 2000 through 2003, but lower thereafter, as were German (until November 2006) and EU export prices. UK prices, however, were more often than not higher than U.S. prices, frequently during the period 2000-03 but continuing with less frequency in 2004-06.<sup>182</sup>

**Table CTL-IV-71**

**Plate: Prices for steel plate, by country or by region, and by month, January 2000-November 2006**

\* \* \* \* \*

### Additional Global Supply and Demand Factors<sup>183</sup>

Worldwide, the majority of reversing mill plate capacity resides in East and South East Asia - \*\*\* percent, by \*\*\*’s estimate, compared to \*\*\* percent in Western Europe. The Commonwealth of Independent States (CIS) accounts for a further \*\*\* percent. In contrast, the majority of Steckel mill capacity (approximately \*\*\* the capacity of reversing plate mills globally) is located in the North America, home to \*\*\* percent of total Steckel mill capacity. The following tabulation presents rated capacities of reversing and Steckel plate mills, by region (in *metric tons*).<sup>184</sup>

\* \* \* \* \*

Although the quantity of steel produced in China grew throughout the first half of 2006, several disruptions to global supply allowed China’s increased production to be absorbed. Global demand was firm and the price of finished steel remained strong. However, demand has weakened in many markets in recent months.

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<sup>181</sup> Compiled from data published in the \*\*\*.

<sup>182</sup> Ibid.

<sup>183</sup> Information presented in this section is primarily derived from the following sources: Steel Business Briefing, *SBB Global Market Outlook*, July 2006; *MEPS International Steel Review*, July-November 2006; \*\*\*, American Metal Market, “Two Steel Markets Veering Off in Opposite Directions,” August 11, 2006, “Duration of Correction Tied to Imports, but Execs Say It’s Likely Short-Lived,” October 20, 2006, “U.S. Flat-Roll Import Tags Fall; Downturn Seen Shortlived,” November 2, 2006, and “Revealing the Inner Details of Steel’s Inventory Run-Up,” November 6, 2006; and Paul Glader, “Steel Prices are Likely to Jump, Adding to Manufacturers’ Woes,” *The Wall Street Journal*, May 24, 2006.

<sup>184</sup> \*\*\*. According to the same source, China alone accounts for nearly \*\*\* percent of South and South East Asian reversing mill plate capacity, or nearly \*\*\* percent of global reversing mill plate capacity. \*\*\*.

While there are currently no safeguard measures in place for CTL plate, several countries (in addition to the United States) implemented safeguard measures from 2002 to 2004. Table CTL-IV-72 summarizes the countries, products covered, safeguard type, and implementation and termination dates.

**Table CTL-IV-72**  
**Steel safeguards imposed by foreign trade partners, 2002–05**

Country	Products covered	Safeguard type	Implementation date	Termination date
China	Subject products: Carbon steel plate.  Non-subject products: Carbon steel slab, sheet, galvanized sheet, and organic-coated sheet. Electrical steel sheets. Tin mill products. Stainless steel plates and sheets. Carbon steel bars, rebars, and wire. Carbon steel sections. Iron or steel seamless pipes.	Provisional– Tariff rates ranging from 7 percent to 26 percent on imports exceeding quota levels.	May 24, 2002	Nov. 19, 2002
European Union	Subject products: Carbon steel plate.  Non-subject products: Carbon sheet, strip, and quarto plate. Alloy steel flat-rolled products. Electrical steel sheets. Tin mill products. Carbon and alloy steel bar and rebar. Stainless steel wire. Alloy steel fittings and flanges.	Provisional– Tariff rates for above-quota imports range from 14.9 percent to 26.0 percent depending on product category.	Mar. 29, 2002	Sept. 28, 2002
European Union	Subject products: Carbon steel plate.  Non-subject products: Hot-rolled and cold-rolled sheet, and strip. Alloy steel flat-rolled products. Alloy steel fittings and flanges.	Definitive– Initial tariff quotas are based on the average annual import volume over the prior 3 years plus 10 percent. The quota level is to increase by 5 percent in each subsequent year beginning Sept. 29, 2002.  Tariff rates for above-quota imports range from 14.1 percent to 26.0 percent depending on product category.	Sept. 29, 2002	Dec. 5, 2003
Hungary	Subject products: Carbon steel plate.  Non-subject products: Carbon sheet, bar, rod, sections, pipe, tube, hollow profiles, wire-cloth, grill netting, and fencing.	Tariff rate quota increases by 2.5 percent in each successive 6-months period.  Tariff rates for above-quota imports set between 15-25 percent, depending on product category, and declines by 5 percent in each successive 6-months period.	Provisional: June 3, 2002  Definitive: Apr. 2, 2003	May 1, 2004 <sup>1</sup>
<sup>1</sup> Safeguards terminated with country's accession to the European Union.				
Source: World Trade Organization.				

Notwithstanding the impact of global safeguard actions on trade in CTL plate, imports worldwide increased between 2000 and 2005.<sup>185</sup> As shown in tables CTL-IV-73, between 2000 and 2005, worldwide CTL plate imports increased by 6.2 million short tons.

**Table CTL-IV-73**  
**CTL plate: Global imports, 2000-05**

Reporting country	2000	2001	2002	2003	2004	2005
Quantity (short tons)						
Subject countries:						
Belgium	742,173	636,945	659,877	786,792	976,468	1,010,939
Brazil	11,494	51,524	27,877	10,727	11,851	23,179
Finland	130,002	151,081	123,488	139,155	122,061	132,750
Germany	2,102,239	2,364,313	2,151,393	2,046,787	2,263,483	2,091,513
Mexico <sup>1</sup>	287,242	225,740	262,471	195,376	406,340	330,037
Poland	583,851	799,305	649,096	678,845	750,764	937,723
Romania	45,185	96,998	74,693	92,302	84,384	157,931
Spain	558,764	610,700	704,734	718,280	762,108	642,235
Sweden	277,816	237,431	247,814	242,016	216,135	233,809
Taiwan	593,251	311,306	507,915	473,550	648,675	352,952
United Kingdom	566,158	730,079	600,119	597,368	607,579	587,271
Total: subject countries	5,898,175	6,215,422	6,009,477	5,981,198	6,849,848	6,500,339
Top 10 other sources:						
South Korea	984,370	1,002,852	1,266,891	1,535,056	2,537,325	2,680,686
India	365,108	389,464	544,695	710,120	648,366	1,453,738
China	1,099,304	1,369,651	2,270,161	3,954,722	2,447,882	1,316,642
United States	949,805	1,096,794	835,627	656,787	987,580	1,163,800
France	1,212,037	1,057,839	1,081,390	968,290	1,111,510	990,954
Turkey	449,294	253,340	433,258	451,948	681,529	986,180
Canada	487,357	436,430	633,888	545,328	826,539	868,002
Netherlands	679,715	702,013	681,875	631,779	830,215	794,756
Singapore	397,283	499,363	470,677	454,347	602,372	752,008
Russia	230,749	353,046	311,183	465,078	471,547	632,731
Subtotal	6,855,021	7,160,794	8,529,645	10,373,455	11,144,864	11,639,497
All other sources	5,606,526	5,484,140	5,610,676	5,649,561	6,133,027	6,441,367
World total	18,359,722	18,860,356	20,149,798	22,004,214	24,127,739	24,581,203
<sup>1</sup> As Mexico did not report its imports in most years during 2000-05, the data shown for Mexico are the quantities that partner countries reportedly exported to Mexico.						
Note.--HS codes included: 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7211.13, 7211.14, 7211.90, 7212.40, 7212.50.						
Source: Reported by Global Trade Atlas.						

According to published reports, end user demand for steel plate in the United States continues to be strong, especially from the oil and gas industry, even as sheet demand has weakened. Earlier in 2006, many analysts believed there was a shortage in domestic production capacity for plate, and lead times

<sup>185</sup> For the purpose of this chapter, this report presents import data for subject countries and not export data due to apparent discrepancies between import and export statistics reported by Global Trade Atlas.

were extended due to unexpected outages at Mittal's mills. However, over the past few months, these mills have come back online and demand for commercial grade products has slowed. Prices generally have remained steady, despite growing U.S. imports and high inventory levels at service centers (now destocking, likely into the first quarter of 2007), as production cuts by U.S. producers have offset lower service center orders.

The European market for flat products is also experiencing strong demand and prices have increased since mid-2005, with prices robust at present and, at worst, mixed views regarding possible future weakness in Southern European commodity plate markets. Both the oil industry and other consuming industries are continuing to drive up plate demand. Maintenance outages have also contributed to a tight European market. Demand in the European plate market is strongest for the higher qualities and grades. European plate mills have benefitted from a strategic shift away from the commodity market and are finding good export opportunities for higher value-added production.

China's domestic demand for plate is low compared with its production levels; however, there has been a recent increase in prices stemming from demand from the shipbuilding and construction sectors. Shipments of Chinese plate to Europe have resumed, following the European summer holiday season, alleviating a buildup of excess production in the Chinese domestic markets. Along with low regional stocks and generally solid supply / demand fundamentals in other Asian markets, these factors have so far offset growing local supply.

### **Consolidation Among Global Producers**

Consolidation in the global steel industry has accelerated in recent years. Most recently, Indian company Tata Steel Ltd. has agreed to purchase European producer Corus Group Plc for \$8.1 billion.<sup>186</sup> In the largest recent merger, Mittal and Arcelor came together to form Arcelor Mittal. In this transaction, Mittal acquired 92 percent of Arcelor's assets for 26.9 billion euros. The new company has the capacity to produce 120 million metric tons per year of raw steel. Other notable mergers and acquisitions are reviewed in Part CTL-III.

### **Global Raw Material Availability and Prices**

Despite strong demand at the beginning of the year that resulted in steel producers reinstating raw materials surcharges, prices of raw materials have eased. Global iron ore prices, which had risen 72 percent during July 2005-July 2006, declined due to decreased demand and lower steel prices in China before rising again in recent months on increased Chinese demand. Many steelmakers own iron ore mines, but need to rely on the global market for some of their supply. Three large iron ore producers, Rio Tinto PLC, Companhia Vale do Rio Doce, and BHP Billiton Ltd., account for 75 percent of global iron ore production.

Global coke prices have stabilized after recent falls. Demand from India, Europe, and Brazil has increased. The coke market is improving within China, as demand has increased amid tighter supply.

Scrap prices have declined and are expected to fall further in the United States, but are steady throughout the rest of the world. Steel production cuts within the United States have led to decreased demand and prices for scrap. High shipping costs, particularly on long routes, partially offset the recent price decreases in these raw materials.

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<sup>186</sup> American Metal Market, "Tata Steel in \$8.1B deal to acquire Corus Group," October 20, 2006, at [http://amm.com/2006-10-20\\_14-37-46.html](http://amm.com/2006-10-20_14-37-46.html), retrieved on November 13, 2006.

## Regional Developments<sup>187</sup>

**Mercosur** comprises five member countries (Argentina, Brazil, Uruguay, Paraguay, and the latest addition in December 2005, Venezuela), five associate countries, and one observer country in South America. Founded in 1991 to promote free trade and eliminate trade barriers among the signatory parties, it has granted associate membership status to all members of the Andean Community (Bolivia, Colombia, Ecuador, and Peru). Associate members can enter into the free trade agreements of Mercosur but remain outside of its customs union. Full members are barred from entering into bilateral trade deals outside the organization.<sup>188</sup>

Mercosur represents the third largest trading bloc in the world after the European Union and NAFTA. It brought an initial reduction of approximately 95 percent of trade barriers among its members.<sup>189</sup> Since the signing of the Asunción Treaty establishing Mercosur, inter-regional trade quickly expanded from \$5.1 billion in 1990 to \$14.38 billion in 1995.<sup>190</sup> The combined gross domestic product of the trading bloc is approximately \$1.1 trillion a year with about 220 million customers.<sup>191</sup>

Although Mercosur was, to a certain extent, inspired by the European Union model, it is not a supranational organization. Rather, Mercosur is an intergovernmental organization geared towards the creation of a common market, without discarding the possibility of an economic union or a common currency in the future. Mercosur is a customs union -- one characterized by the elimination of barriers of trade between member states and a Common External Tariff (CET), which dictates the customs duty rates applicable for imports of goods into the member countries.<sup>192</sup> As it stands currently, Mercosur has eliminated most trade barriers in goods and services and achieved a common external tariff. More than 90 percent of intra-Mercosur trade is duty-free, while the group's CET applies to more than 85 percent of imported goods. Remaining goods are scheduled to be phased into the CET by the end of 2006, although some delay is anticipated. CETs range from zero to 20 percent *ad valorem*, with a number of country-specific exceptions.<sup>193</sup>

The membership of the **European Union (EU)** in 2006 stood at 25 Member States. The EU Member States combined represent the world's largest economy by GDP. Its economy is expected to grow further over the next decade as more countries join the union; the 2005 growth rate was approximately 1.5 percent.<sup>194</sup> The European Union has a common single market consisting of a customs

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<sup>187</sup> This section discusses Mercosur and the European Union. For information on NAFTA, please refer to Part CORE-IV.

<sup>188</sup> Profile: Mercosur – Common Market of the South, BBC News, July 26, 2006; <http://news.bbc.co.uk/1/hi/world/americas/5195834.stm>. The European Union and Mercosur are engaged in negotiations regarding a potential free trade agreement, however important differences exist over issues such as agricultural subsidies and tariffs on industrial goods.

<sup>189</sup> Christopher M. Bruner, *Hemispheric Integration and the Politics of Regionalism: The Free Trade Area of the Americas (FTAA)*. 33 U. Miami Inter-Am. L. Rev. 1 (2002).

<sup>190</sup> Merco Press, June 15, 2004.

<sup>191</sup> Profile: Mercosur – Common Market of the South, BBC News, July 26, 2006; <http://news.bbc.co.uk/1/hi/world/americas/5195834.stm>.

<sup>192</sup> General Agreement on Trade and Tariffs (GATT), Article XXIV.

<sup>193</sup> Foreign Trade Barriers: Argentina, 2006; [http://search.crownpeak.com/cpt\\_search/result\\_1?q=steel+2006&account=1003](http://search.crownpeak.com/cpt_search/result_1?q=steel+2006&account=1003).

<sup>194</sup> The European Union, producing 193 million tonnes of crude steel, accounts for 18 percent of world production. The value of the annual EU steel production is estimated at €21 billion, representing more than 1 percent of the EU's GDP. Employment in the steel sector has contracted steadily over the years, from 1 million people working in the sector in 1970 to just 347,000 in 2005. Employment in the industry is less than 1.5 percent of  
(continued...)



union, a single currency managed by the European Central Bank, a Common Trade Policy, a Common Agricultural Policy, a Common Fisheries Policy, and a Common Foreign and Security Policy.<sup>195</sup> The European Union constitutes a market of some 450 million consumers with a total gross domestic product of more than \$11 trillion.<sup>196</sup>

The euro is currently the common currency for 12 of the 25 Member States with a combined population of over 300 million: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain. Slovenia is scheduled to adopt the euro as its currency in 2007.<sup>197</sup>

As a customs union, the European Union maintains a common external tariff, has abolished customs duties between Member States, and since 1993, has removed internal border restrictions. The EU has expanded gradually, increasing from six Member States to 15 between 1958 and 1995. The “EU Enlargement” in May 2004 added ten new Member States, increasing population in the EU by nearly 20 percent and increasing GDP by almost 5 percent.<sup>198</sup> Bulgaria and Romania are scheduled to become members on January 1, 2007, provided that they meet the conditions for membership. The Treaty of Accession for the Republic of Bulgaria and Romania has been ratified by parliaments of EU Member States since April 2005, but issues remain for both countries remain before ratification is possible.<sup>199</sup>

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<sup>194</sup> (...continued)

total employment in the Union ’s manufacturing industries. Steel Sector, Europa, July 2006, found at [http://ec.europa.eu/comm/trade/issues/sectoral/industry/steel/index\\_en.htm](http://ec.europa.eu/comm/trade/issues/sectoral/industry/steel/index_en.htm).

<sup>195</sup> [Activities of the EU: Internal market](#), Europa, May 2006.

<sup>196</sup> 2006 Trade Policy Agenda and 2005 Annual Report, Office of the U.S. Trade Representative, [www.ustr.gov](http://www.ustr.gov).

<sup>197</sup> “The Euro: Our Currency,” found at [http://ec.europa.eu/economy\\_finance/euro/our\\_currency\\_en.htm](http://ec.europa.eu/economy_finance/euro/our_currency_en.htm), retrieved on September 22, 2006.

<sup>198</sup> “The Customs Policy of the European Union” at [http://ec.europa.eu/publications/booklets/move/19/txt\\_en.htm](http://ec.europa.eu/publications/booklets/move/19/txt_en.htm), retrieved on September 22, 2006.

<sup>199</sup> “EU Accessions Bill”, BBC News; January 27, 2006.



## PART CTL-V: PRICING AND RELATED INFORMATION

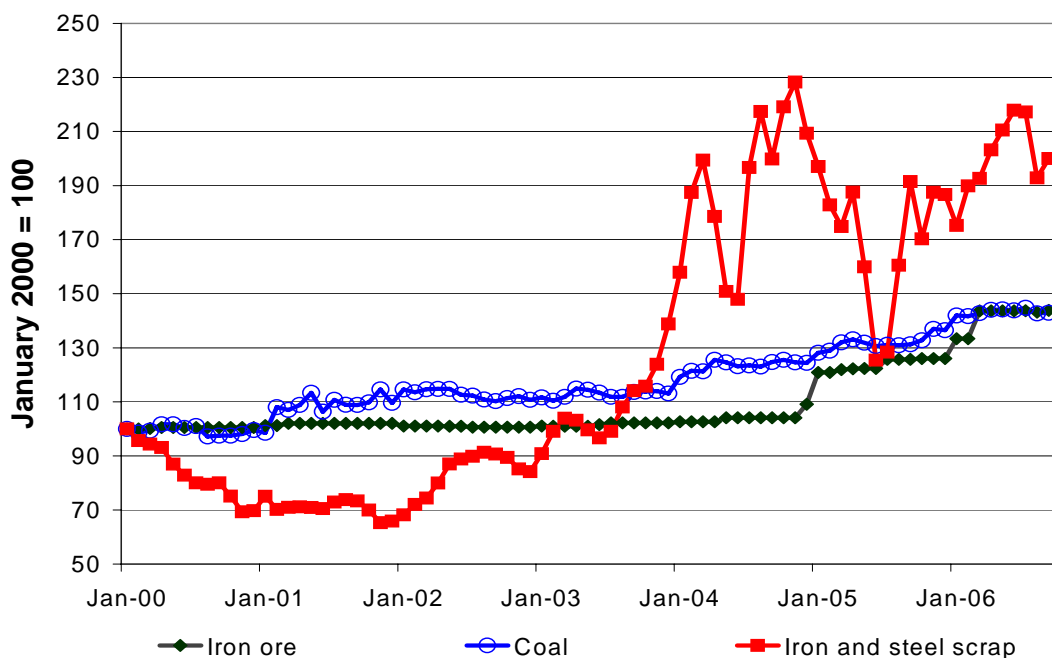
### FACTORS AFFECTING PRICES

#### Raw Materials

The cost of raw materials, consisting primarily of iron ore, coal, and steel scrap, is an important component of the total cost of producing CTL plate. Public data show that prices in the United States of iron ore and coal rose during the January 2000 to September 2006 period, with the increase for iron ore occurring primarily in 2005 and 2006 (figure CTL-V-1).<sup>1</sup> The price of iron and steel scrap in the United States decreased in 2000 and 2001 and then increased markedly. After a decrease in early 2005, scrap prices then increased through mid-2006<sup>2</sup> and have only fallen slightly in late 2006.

**Figure CTL-V-1**

**Raw material costs: Producer price indexes (January 2000=100) of iron ore, coal, and iron and steel scrap in the United States, by months, January 2000-September 2006**



Source: U.S. Bureau of Labor Statistics, November 7, 2006.

Energy costs are another important factor in the production of CTL plate. Both natural gas prices and electricity prices in the United States were higher in January-July 2006 than in any of the full years between 2000 and 2005, as shown in the following tabulation:

<sup>1</sup> Rising iron ore costs in 2006 reportedly have pushed steel price forecasts for the second half of 2006 up by approximately 19 percent. "Steel prices are likely to jump, adding to manufacturers' woes," *The Wall Street Journal*, May 24, 2006.

<sup>2</sup> U.S. producers announced price increases for July 2006 due, in part, to rising scrap prices. "Carbon plate prices poised for up to \$30 per ton hike in July," *American Metal Market*, April 27, 2006, found at [http://amm.com/2006-04-27\\_18-06-13.html](http://amm.com/2006-04-27_18-06-13.html), retrieved September 1, 2006.

Item	2000	2001	2002	2003	2004	2005	2006 <sup>3</sup>
U.S. natural gas industrial price <sup>1</sup>	\$4.45	\$5.24	\$4.02	\$5.81	\$6.41	\$7.09	\$8.21
Electricity industrial price <sup>2</sup>	4.64	5.04	4.88	5.13	5.11	5.27	5.93
<sup>1</sup> In dollars per thousand cubic feet. <sup>2</sup> In cents per kilowatt-hour. <sup>3</sup> Monthly average for January through July. Sources: U.S. Energy Information Administration, <a href="http://www.eia.doe.gov">http://www.eia.doe.gov</a> .							

Producers and importers were asked to what extent changes in the prices of raw materials had affected the selling price of CTL plate since 2000. All 19 responding producers reported that selling prices have increased as a direct result of higher prices for raw materials (e.g., scrap, iron ore, coal, and others). Five producers reported implementing surcharges as a result of increased raw material costs. The domestic mills implemented raw material surcharges beginning in January 2004, but recently some U.S. producers have reportedly rolled surcharges into base prices.<sup>3</sup> Most importers reported that raw material price increases had a marked affect on CTL plate prices since 2000.

### Transportation Costs to the United States

Transportation costs for shipping CTL plate to the United States (excluding U.S. inland costs) from the subject countries are estimated for 2005 in the tabulation that follows. These estimates are derived from official import data for the HTS statistical reporting numbers for the subject product in 2005 and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with a customs value basis.<sup>4</sup>

Country	Estimated shipping cost in 2005 ( <i>in percent</i> )
Belgium	9.00
Brazil	5.40
Finland	13.30
Germany	7.03
Mexico	4.76
Poland	7.54
Romania	10.92
Spain	0.66
Sweden	2.46
Taiwan	7.21
United Kingdom	14.36

<sup>3</sup> "Carbon plate prices poised for up to \$30 per ton hike in July," American Metal Market, April 27, 2006, found at [http://amm.com/2006-04-27\\_18-06-13.html](http://amm.com/2006-04-27_18-06-13.html), retrieved September 1, 2006.

<sup>4</sup> These estimates are based on a weighted average of HTS statistical reporting numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7211.13.0000, 7211.14.0030, and 7211.14.0045. A weighted average of data from 2000 through 2005 was used for Finland, Spain, and Taiwan due to a lack of data in 2005.

## **U.S. Inland Transportation Costs**

U.S. inland transportation costs for delivery of CTL plate vary widely. Most producers estimated that U.S. inland transportation costs ranged from 2.5 to 10 percent of their costs of CTL plate. Importers reported that U.S. inland transportation costs generally ranged from less than 5 percent to 15 percent of their costs of CTL plate. Twenty-four of the 37 responding purchasers reported that inland transportation costs were not a major factor in consideration of which suppliers to source their CTL plate requirements. Purchasers also reported that inland transportation costs generally ranged from 2 to 10 percent of the total cost of CTL plate purchased.<sup>5</sup>

Fourteen of the 19 responding producers reported that they arranged delivery and three reported that the purchaser arranged delivery. Producers reported shipping the vast majority of their CTL plate 1,000 miles or less, with only three responding producers reporting that they ship between 20 and 35 percent of their CTL plate more than 1,000 miles. Among importers, 11 of the 14 responding firms reported that the purchaser arranged delivery, one reported that it arranged delivery, and two reported that both producer and purchaser arranged delivery. While six of the ten responding importers shipped 75 percent or more of their CTL plate less than 100 miles, one importer shipped the vast majority between 101 and 1,000 miles, and two shipped all of their CTL plate more than 1,000 miles.

## **Exchange Rates**

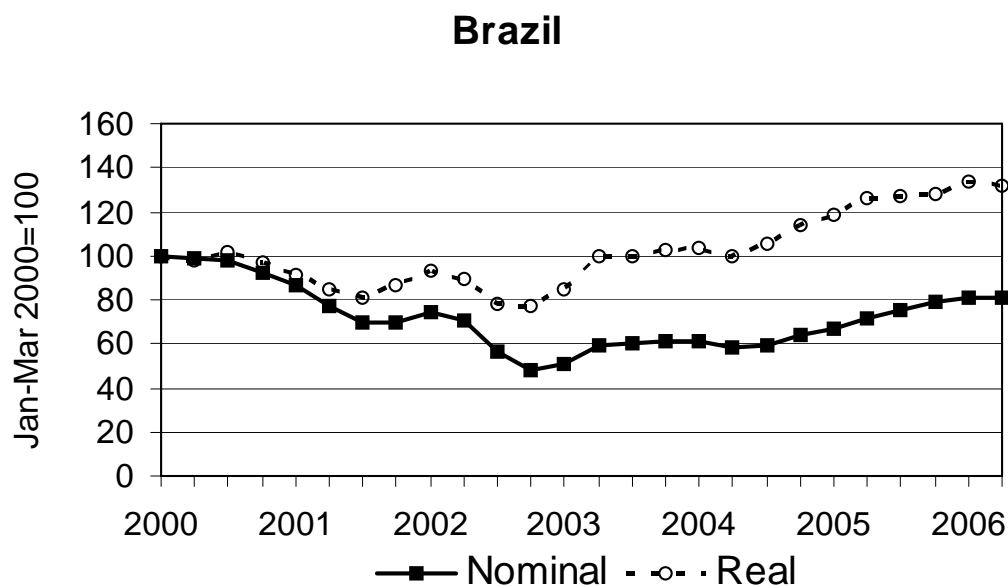
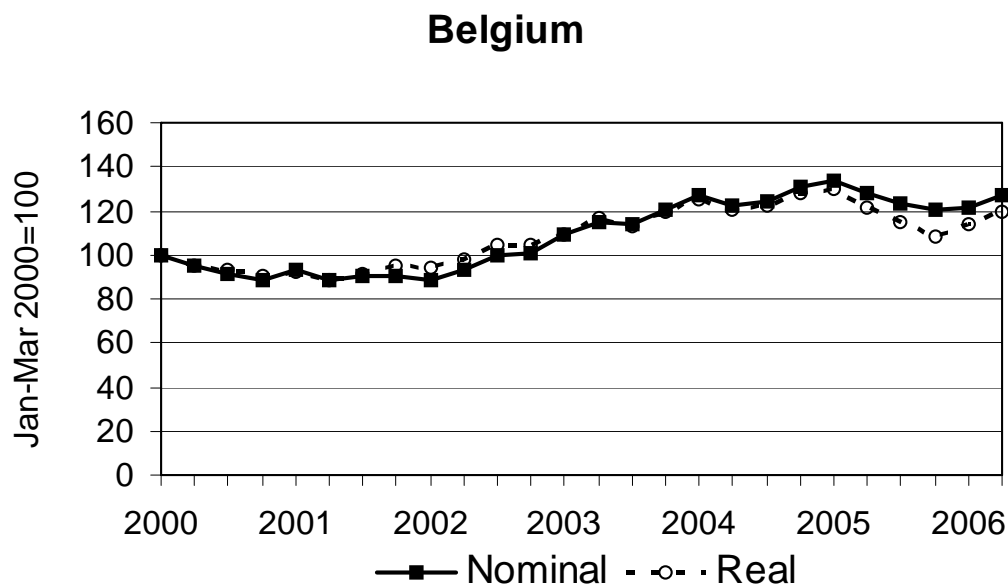
Quarterly data reported by the International Monetary Fund indicate that the real and nominal values of the euro (Belgium, Finland, Germany, and Spain) and the Swedish krona first depreciated and then appreciated relative to the U.S. dollar during the period for which data were collected (figure CTL-V-2). Both the real and nominal values of the Brazilian real depreciated relative to the U.S. dollar until late 2002 when both began to appreciate. While the nominal value of the Brazilian real was higher in early 2006 than it was in early 2000, the real value was lower than in 2000. The real and nominal values of the Mexican peso and Taiwan dollar remained relatively constant during the period. The real and nominal values of the Polish zloty remained relatively constant before appreciating in late 2004 and leveling off in 2005. The nominal value of the Romanian leu depreciated during the period, but the real value appreciated relative to the U.S. dollar. The real and nominal values of the British pound first appreciated and then depreciated relative to the U.S. dollar during the period.

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<sup>5</sup> \*\*\* reported that 15 percent of the total cost of CTL plate purchased is accounted for by U.S. inland transportation costs when it sources from Oregon Steel, and \*\*\* reported that inland transportation accounted for 60 percent of the total cost when shipping by truck, compared with 20 percent when shipping by barge or rail.

**Figure CTL-V-2**

**Exchange rates: Indices of the nominal and real exchange rates of the Belgian, Brazilian, Finnish, German, Mexican, Polish, Romanian, Spanish, Swedish, Taiwan, and British currencies relative to the U.S. dollar, by quarters, January 2000-June 2006**

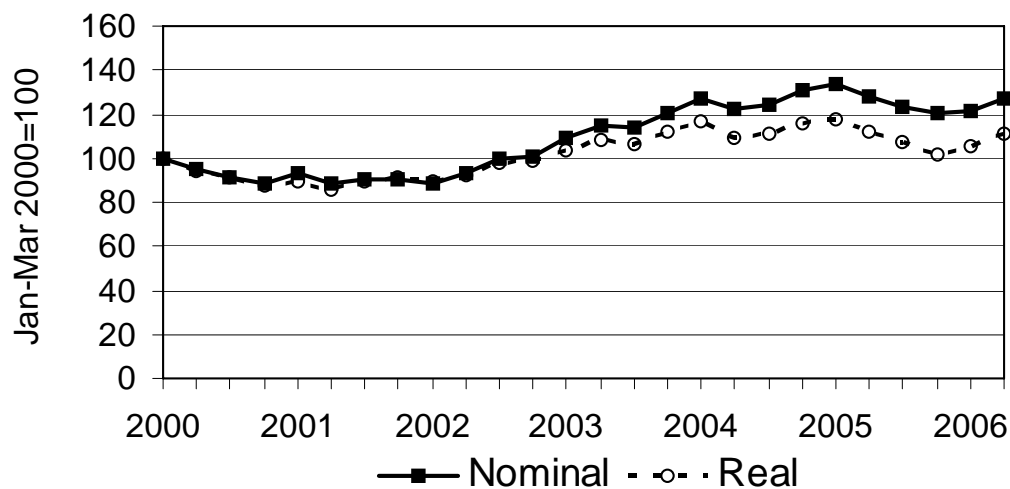


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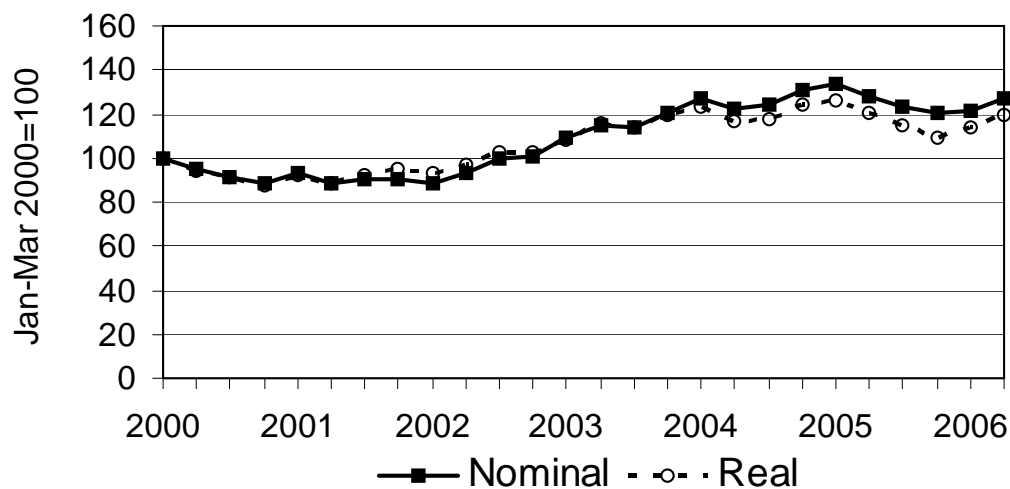
**Figure CTL-V-2--Continued**

**Exchange rates:** Indices of the nominal and real exchange rates of the Belgian, Brazilian, Finnish, German, Mexican, Polish, Romanian, Spanish, Swedish, Taiwan, and British currencies relative to the U.S. dollar, by quarters, January 2000-June 2006

### Finland



### Germany

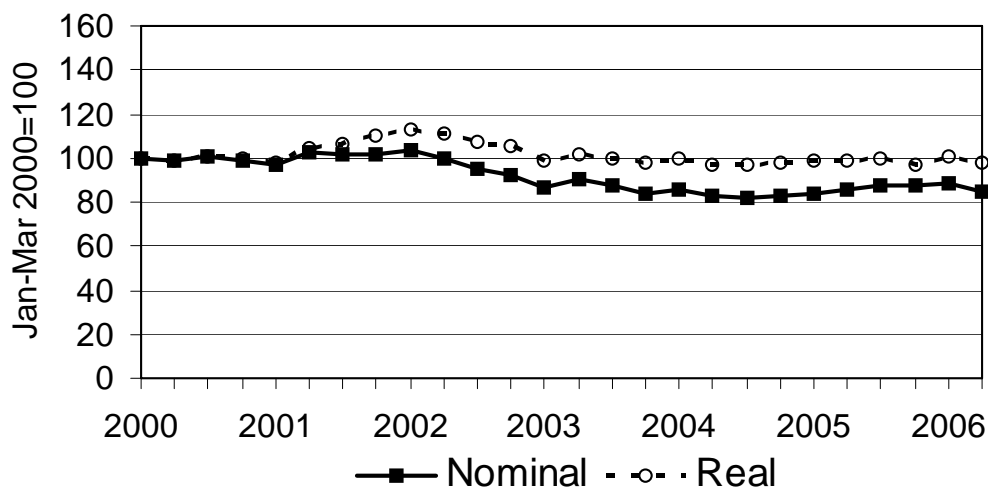


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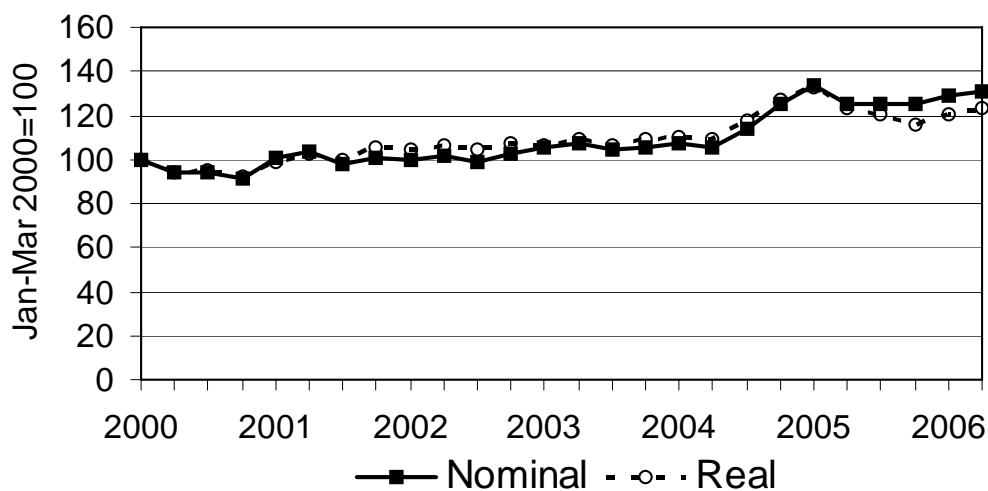
**Figure CTL-V-2--Continued**

**Exchange rates:** Indices of the nominal and real exchange rates of the Belgian, Brazilian, Finnish, German, Mexican, Polish, Romanian, Spanish, Swedish, Taiwan, and British currencies relative to the U.S. dollar, by quarters, January 2000-June 2006

### Mexico



### Poland



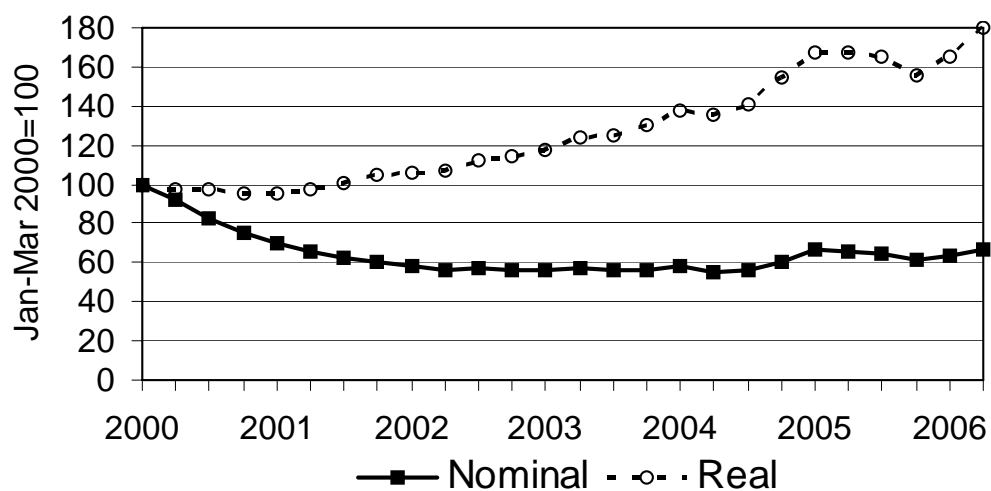
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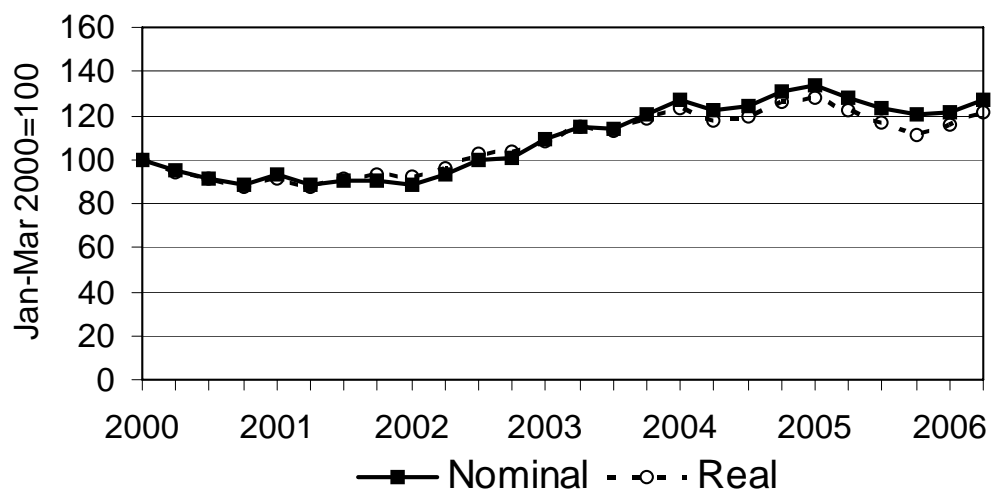
**Figure CTL-V-2--Continued**

**Exchange rates:** Indices of the nominal and real exchange rates of the Belgian, Brazilian, Finnish, German, Mexican, Polish, Romanian, Spanish, Swedish, Taiwan, and British currencies relative to the U.S. dollar, by quarters, January 2000-June 2006

### Romania



### Spain

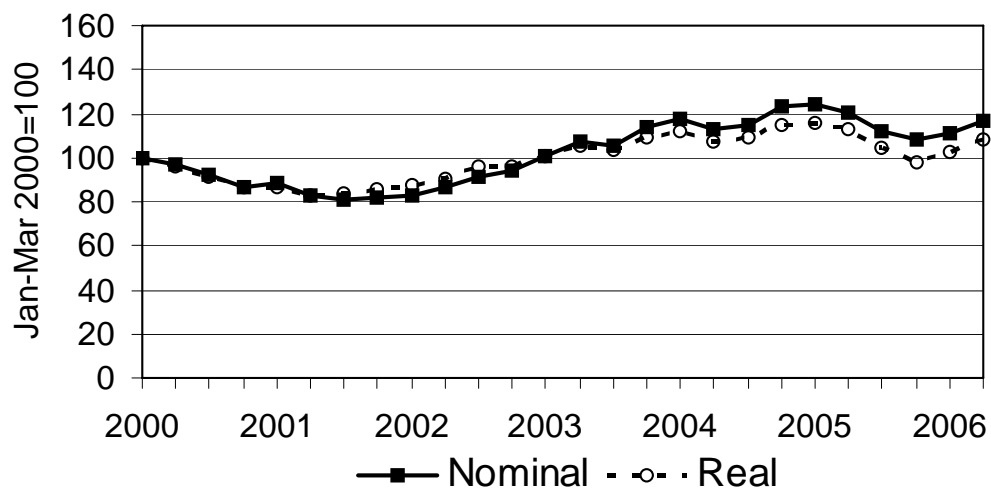


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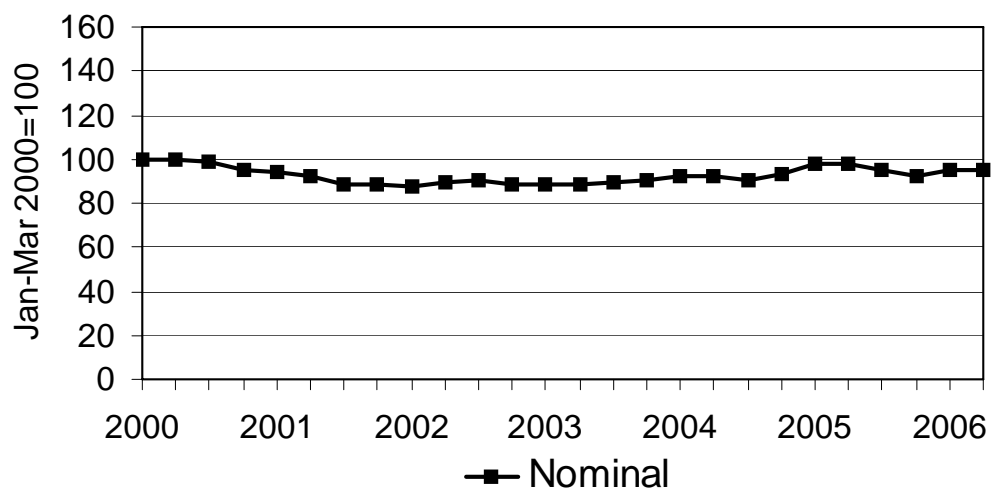
**Figure CTL-V-2--Continued**

**Exchange rates:** Indices of the nominal and real exchange rates of the Belgian, Brazilian, Finnish, German, Mexican, Polish, Romanian, Spanish, Swedish, Taiwan, and British currencies relative to the U.S. dollar, by quarters, January 2000-June 2006

## Sweden



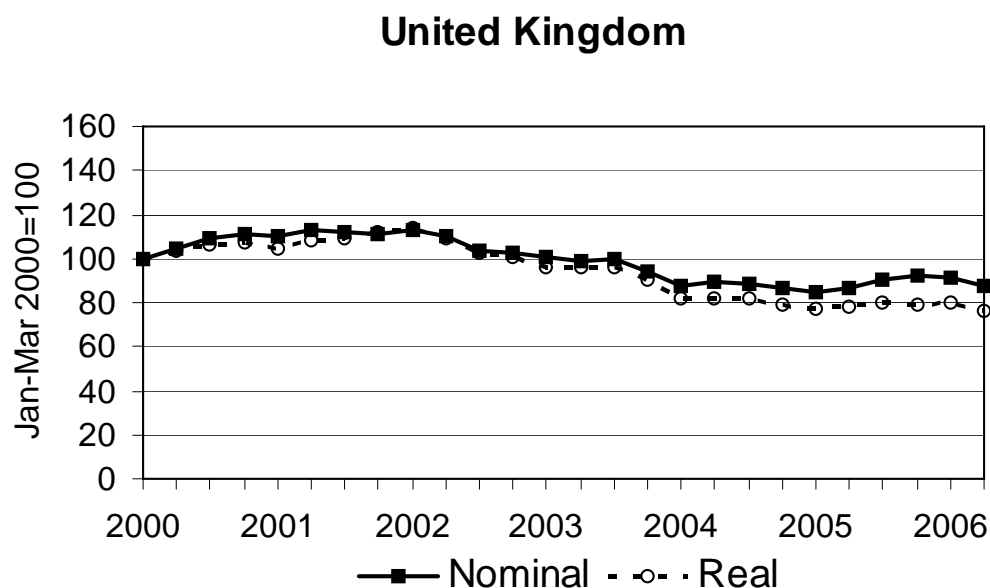
## Taiwan



*Figure continued on next page.*

**Figure CTL-V-2--Continued**

**Exchange rates: Indices of the nominal and real exchange rates of the Belgian, Brazilian, Finnish, German, Mexican, Polish, Romanian, Spanish, Swedish, Taiwan, and British currencies relative to the U.S. dollar, by quarters, January 2000-June 2006**



Source: International Monetary Fund, *International Financial Statistics*, retrieved from <http://ifs.apdi.net/imf/about.asp> on October 26, 2006.

## PRICING PRACTICES

### Pricing Methods

Producers generally reported determining prices on a transaction-by-transaction basis, based on market conditions and competition. Four of 18 responding producers reported having contracts for multiple shipments, and five producers reported using price lists. Importers also reported determining prices on a transaction-by-transaction basis based on market conditions and negotiations. Only two importers reported contract pricing, and only one, \*\*\*, reported using price lists.

Most purchasers reported contacting between two and six suppliers before making a purchase, with three purchasers reporting that they only contact one supplier and eight purchasers not giving a specific number or range. Twenty-seven of the 39 responding purchasers reported that purchases of CTL plate usually involve negotiations between supplier and purchaser, with some explaining that prices, availability, delivery, and compliance with specifications are part of the negotiations. Five purchasers reported that they rarely or never quote competing prices, and two purchasers reported that they do quote competing prices.<sup>6</sup> Fifteen purchasers reported varying their purchases from a given supplier based on the price offered for a specified period, with the time period being monthly, quarterly, or annually.

Purchasers were asked how frequently the price of CTL plate they are purchasing changes. Twenty-two purchasers reported that the price changes monthly; nine quarterly; two weekly, one semi-

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<sup>6</sup> Caterpillar reported that it \*\*\*. Caterpillar's posthearing brief, p. 6.

annually, two annually, and two daily. In explaining the main factors that cause price changes, most purchasers reported that the supply and demand situation in the marketplace or changes in the various raw material, energy, and transportation surcharges contribute to regular price changes.

Twenty-three purchasers reported that there have been no individual producers, importers, or purchasers that have influenced the U.S. wholesale market price of CTL plate since 2000. Of the ten purchasers that reported firms having influenced the market price, six named U.S. producers, specifically Mittal (6), Nucor (1), and IPSCO (1). One purchaser reported that imports of CTL plate affect the U.S. market price if large distributors are involved, and one purchaser reported that producers in Malaysia and Thailand have had a negative effect on plate pricing.

### **Sales Terms and Discounts**

Seven producers and six importers reported that they normally quote f.o.b. prices, three producers and two importers commonly quote on a delivered basis, and eight producers and four importers reported doing both or some other basis. Producers' sales terms are generally 0.5/10 net 30 days, and importers' are generally net 30 days. Nine of 18 producers reported that 75 percent or more of their sales are on a spot basis, with one producer reporting that almost all of its sales are on a short-term contract basis. Seven producers reported some sales on a long-term contract basis, but generally involving 33 percent or less of total CTL plate sales. Among importers, 8 of the 11 responding firms reported that all of their sales are on a spot basis, and one reported that all of its sales are on a short-term contract basis. Only one importer reported some sales on a long-term contract basis.

Producers generally reported that long-term contracts are one year in length,<sup>7</sup> with both price and quantity fixed, renegotiations possible, and no meet-or-release provisions.<sup>8</sup> Producers reported that short-term contracts are generally from three to six months, with both price and quantity fixed, renegotiations possible, and no meet-or-release provisions. Generally, importers reported that short-term contracts are usually three to four months in duration, with no renegotiations, and no meet-or-release provisions. One importer reported that both price and quantity are fixed, one reported that only price is fixed, and one reported that only quantity is fixed.

Producers and importers were asked if they imposed any surcharges or other price increases during the pendency of any long-term contracts. Four producers reported implementing surcharges, and one producer/importer reported applying no surcharges at the present time.

Ten of the 19 responding producers reported having a discount policy; four reporting volume discounts, one reporting discounts for early payment, two reporting both volume discounts and discounts for early payment, and three reporting that discounts are negotiated on an individual basis or based on market conditions. Twelve of the 13 responding importers reported offering no discounts, with one reporting that its discount policy varies. Only two producers, \*\*\*, and one importer, \*\*\*, reported offering financing to U.S. purchasers of CTL plate.

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<sup>7</sup> \*\*\* reported that long-term contracts are anywhere from six months to two years in length, and \*\*\* reported that they are six months to one year in length. Caterpillar reported that it \*\*\*. Caterpillar's posthearing brief, p. 4.

<sup>8</sup> \*\*\*, the only importer to report sales using long-term contracts, reported that long-term contracts are one year in duration, with price fixed, renegotiations possible, and no meet-or-release provisions.

## PRICE DATA

The Commission requested U.S. producers and importers of CTL plate to provide quarterly data for the total quantity and f.o.b. value of CTL plate that was shipped to unrelated customers in the U.S. market. Data were requested for the period January 2000 to June 2006. The products for which pricing data were requested are as follows:<sup>9</sup>

**Product 1.–Hot-rolled carbon steel plate, ASTM A36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72 inches through 96 inches in width, 0.5 inches through 1.0 inches in thickness;**

**Product 2.–Hot-rolled carbon steel plate, ASTM A36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72 inches through 96 inches in width, 0.1875 inches through 0.499 inches in thickness;**

**Product 3.–Hot-rolled carbon steel plate, high strength low alloy (HSLA), ASTM A572, Grade 50, sheared edges, not cleaned or oiled, in cut lengths, 72 inches through 120 inches in width, 0.5 inches through 1.5 inches in thickness;**

**Product 4.–Hot-rolled carbon steel plate, SAE 1045, no ASTM specification, trimmed edges, not cleaned or oiled, in cut lengths, 72 inches through 96 inches in width, 1.0 inches through 1.5 inches in thickness; and**

**Product 5.–Hot-rolled wide flat bars, in free-cutting grades, in cut lengths, 6 inches through 12 inches in width, 0.25 inches through 2.0 inches in thickness.**

Twelve U.S. producers<sup>10</sup> and six importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.<sup>11</sup> Pricing data reported by these firms, shown in tables CTL-V-1 to CTL-V-5 and figures CTL-V-3 to CTL-V-7, accounted for 14.9 percent of U.S. producers' U.S. shipments of CTL plate and \*\*\* percent of U.S. imports from Romania in 2005.<sup>12</sup>

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<sup>9</sup> Products 1 through 4 are the same pricing items that were specified in the first reviews, with certain modifications. Mittal requested that the Commission change the thickness range on product 1 from 0.5" through 0.99" to 0.5" through 1.0" and the width and thickness ranges on product 2 from 60" through 70" and 0.1875" through 0.249" to 72" through 96" and 0.1875" through 0.499". In addition, UK producer Niagara requested that product 5 (wide flat bars) be added.

<sup>10</sup> \*\*\* reported that it was "too onerous" to provide pricing data; \*\*\* could not report pricing data for 2000; and \*\*\* could not report pricing data for the years prior to 2005.

<sup>11</sup> For product 5, \*\*\* reported much larger quantities in 2002-06 than in 2000-01. \*\*\* did not report any data prior to 2004.

<sup>12</sup> Importers did not report data for imports from Finland or Germany in 2005. \*\*\* reported data for imports from Finland in 2002, but official import statistics do not show any imports from Finland in 2002. The quantity of imports from Germany reported in 2004 was \*\*\* percent of total imports from Germany in 2004.

Table CTL-V-1

CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 1,<sup>1</sup> and margins of underselling/(overselling), by quarters, January 2000-June 2006

Period	U.S. producers		Imports from Germany			Imports from Romania		
	Quantity	Price	Quantity	Price	Margin	Quantity	Price	Margin
	Short tons	Per short ton	Short tons	Per short ton	Percent	Short tons	Per short ton	Percent
2000:								
Jan.-Mar.	54,942	\$328.57	--	--	--	***	***	***
Apr.-June	50,424	346.08	--	--	--	--	--	--
July-Sept.	42,428	354.07	--	--	--	--	--	--
Oct.-Dec.	36,839	350.47	--	--	--	--	--	--
2001:								
Jan.-Mar.	82,198	338.28	--	--	--	--	--	--
Apr.-June	79,993	334.68	--	--	--	--	--	--
July-Sept.	61,887	345.46	--	--	--	--	--	--
Oct.-Dec.	56,988	329.63	--	--	--	--	--	--
2002:								
Jan.-Mar.	58,143	335.11	--	--	--	--	--	--
Apr.-June	70,085	345.35	--	--	--	--	--	--
July-Sept.	64,020	353.38	--	--	--	--	--	--
Oct.-Dec.	55,054	363.61	--	--	--	***	***	***
2003:								
Jan.-Mar.	60,768	364.79	--	--	--	--	--	--
Apr.-June	61,213	353.50	--	--	--	--	--	--
July-Sept.	69,085	348.13	--	--	--	--	--	--
Oct.-Dec.	70,180	361.35	--	--	--	--	--	--
2004:								
Jan.-Mar.	67,814	487.02	--	--	--	--	--	--
Apr.-June	61,122	632.61	--	--	--	--	--	--
July-Sept.	71,217	758.56	--	--	--	--	--	--
Oct.-Dec.	48,989	815.24	***	***	***	--	--	--
2005:								
Jan.-Mar.	37,114	831.85	--	--	--	***	***	***
Apr.-June	32,575	800.72	--	--	--	--	--	--
July-Sept.	51,785	752.66	--	--	--	***	***	***
Oct.-Dec.	66,683	782.36	--	--	--	***	***	***
2006:								
Jan.-Mar.	78,486	760.02	--	--	--	--	--	--
Apr.-June	87,041	764.07	--	--	--	--	--	--

<sup>1</sup> Product 1.—Hot-rolled carbon steel plate, ASTM A36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72 inches through 96 inches in width, 0.5 inches through 1.0 inches in thickness.

Source: Compiled from information submitted in response to Commission questionnaires.

Table CTL-V-2

CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 2,<sup>1</sup> and margins of underselling/(overselling), by quarters, January 2000-June 2006

Period	U.S. producers		Imports from Finland		
	Quantity	Price	Quantity	Price	Margin
	<i>Short tons</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Per short ton</i>	<i>Percent</i>
2000:					
Jan.-Mar.	59,566	\$353.64	--	--	--
Apr.-June	58,196	366.20	--	--	--
July-Sept.	43,928	370.68	--	--	--
Oct.-Dec.	42,996	364.65	--	--	--
2001:					
Jan.-Mar.	77,366	350.67	--	--	--
Apr.-June	70,881	357.23	--	--	--
July-Sept.	60,698	366.29	--	--	--
Oct.-Dec.	58,270	356.51	--	--	--
2002:					
Jan.-Mar.	68,591	340.98	***	***	***
Apr.-June	57,660	400.59	--	--	--
July-Sept.	60,261	367.27	--	--	--
Oct.-Dec.	50,870	369.44	--	--	--
2003:					
Jan.-Mar.	53,173	387.30	--	--	--
Apr.-June	55,461	382.89	--	--	--
July-Sept.	59,489	386.76	--	--	--
Oct.-Dec.	52,174	400.90	--	--	--
2004:					
Jan.-Mar.	64,028	535.65	--	--	--
Apr.-June	59,181	649.72	--	--	--
July-Sept.	59,610	663.40	--	--	--
Oct.-Dec.	45,607	693.06	--	--	--
2005:					
Jan.-Mar.	49,823	818.28	--	--	--
Apr.-June	46,297	786.19	--	--	--
July-Sept.	44,496	809.11	--	--	--
Oct.-Dec.	47,215	807.42	--	--	--
2006:					
Jan.-Mar.	76,624	765.99	--	--	--
Apr.-June	64,122	779.89	--	--	--

Table continued on next page.

**Table CTL-V-2--Continued**

**CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 2, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CTL-V-3**

**CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 3, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CTL-V-4**

**CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers of product 4, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CTL-V-5**

**CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers of product 5, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CTL-V-3**

**CTL plate: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 1, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CTL-V-4**

**CTL plate: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 2, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CTL-V-5**

**CTL plate: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 3, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CTL-V-6**

**CTL plate: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers of product 4, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CTL-V-7**

**CTL plate: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers of product 5, by quarters, January 2000-June 2006**

\* \* \* \* \*



## Price Trends

Among Commission pricing products, U.S. prices of CTL plate showed relatively little change from 2000 through 2003.<sup>13</sup> Substantial price increases for all five products began in the first quarter 2004,<sup>14</sup> with some leveling off or small decreases in early 2005,<sup>15</sup> with the exception of product 5, which showed additional price increases in 2006.<sup>16</sup> There was too little data reported by importers to comment on price trends of imports from Finland, Germany, and Romania. Importers responding to Commission questionnaires did not report data for imports from Belgium, Brazil, Mexico, Poland, Spain, Sweden, Taiwan, or the United Kingdom.

Purchasers were asked if there had been a change in the price of CTL plate since 2000 and, if so, how the price of domestic CTL plate changed relative to the price of CTL plate produced in the various subject countries. One purchaser reported that there has been no change in price, and 16 purchasers reported that prices have changed by the same amount. The responses for how U.S. prices reportedly changed relative to the various subject countries<sup>17</sup> are presented in the following tabulation:

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<sup>13</sup> Kenilworth described prices as “severely depressed” in 2000 through 2003 and reported that initial subsequent price increases were generally accepted by the marketplace. Hearing transcript, p. 161 (Heltzel).

<sup>14</sup> News and industry reports have attributed the 2004 steel price increases to various factors, including increased demand in China, raw material price increases, increased demand in end-use markets, and changes within the U.S. industry that caused tight supply. “Plate makers see strength, kick tags up another notch,” American Metal Market, December 26, 2003, found at [http://amm.com/2003-12-26\\_01-05-00.html](http://amm.com/2003-12-26_01-05-00.html), retrieved September 1, 2006; “Brisk demand for plate serves up price hikes,” American Metal Market, August 27, 2004, found at [http://amm.com/2004-08-27\\_01-07-00.html](http://amm.com/2004-08-27_01-07-00.html), retrieved September 1, 2006; and “Careful, plate’s hot,” Metal Center News, August 2004.

<sup>15</sup> U.S. producers reported that service centers were destocking inventories in 2005 and that spot prices decreased by more than \$100 per short ton. Hearing transcript, p. 57 (Insetta) and p. 79 (Ruane).

<sup>16</sup> U.S. producers reportedly sought price increases in response to controlled import levels, comparable prices on imports, and expectations that the U.S. plate market will be strong through the end of 2006. “DiMicco and company look ahead and definitely like what they see,” American Metal Market, April 21, 2006, found at [http://amm.com/2006-04-21\\_11-34-29.html](http://amm.com/2006-04-21_11-34-29.html), retrieved September 1, 2006. Both producers and purchasers are reportedly expecting a strong plate market through the end of 2006. “Plate market’s strength expected to last all year,” American Metal Market, August 4, 2006, found at [http://amm.com/2006-08-04\\_20-08-07.html](http://amm.com/2006-08-04_20-08-07.html), retrieved September 1, 2006. More recently, Nucor reported that it announced a price increase in October 2006 but that prices in November 2006 will be lower. Hearing transcript, p. 156 (McFadden). IPSCO reported that its October 2006 price increase announcement did not result in “additional pricing.” Hearing transcript, p. 157 (Tulloch). There have been recent CTL plate price decreases, but most market participants reportedly agree that end-use demand for CTL plate remains strong. “Inventory selloffs push steel plate prices down,” American Metal Market, October 30, 2006, found at [http://amm.com/2006-10-30\\_13-20-46.html](http://amm.com/2006-10-30_13-20-46.html), retrieved November 2, 2006. Caterpillar reported that in its ongoing 2007 contract negotiations, \*\*\*. Caterpillar’s posthearing brief, p. 5.

<sup>17</sup> One purchaser reported that the price of U.S.-produced CTL plate is now higher than the price of the product from Asia and the EU; one purchaser reported that the price of U.S.-produced CTL plate is now higher than the price of the product from Russia and Ukraine; one purchaser reported that the price of the U.S. product is higher than the price of the product from the EU, China, Japan, and Korea; and one purchaser reported that the price of U.S.-produced CTL plate is now higher than the price of the product from Korea but lower than the price of the product from Canada.

Country	Price of U.S. product is now relatively higher than price of subject country product	Price of U.S. product is now relatively lower than price of subject country product
Brazil	2	0
Mexico	1	0
Poland	0	1
Romania	1	0

### Price Comparisons

Consistent with the reported volumes of subject imports, there were relatively few comparisons possible between subject imports and the domestic like product. As shown in table CTL-V-6, subject imports from Finland, Germany, and Romania undersold the comparable U.S. product in 17 of 20 comparisons.<sup>18</sup>

#### Finland

Imports from Finland oversold the U.S. product in the one quarter where a comparison was possible. The margin was \*\*\* percent (table CTL-V-2).

#### Germany

Imports from Germany undersold U.S. product 1 in one quarter where a comparison was possible, with a margin of underselling of \*\*\* percent (table CTL-V-1). For product 2, the German product oversold the U.S. product in the only possible comparison. The margin was \*\*\* percent (table CTL-V-2).

#### Romania

For products 1, 2, and 3, imports from Romania undersold the U.S. product in 16 of 17 quarters where comparisons were possible, with margins of underselling ranging from 6.9 to 35.0 percent (tables CTL-V-1 through CTL-V-3). In the one instance of overselling by the Romanian import, the margin was \*\*\* percent.

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<sup>18</sup> Mittal reported that its forecasts, \*\*\*, show that the U.S. price for A36 or equivalent CTL plate are \*\*\* prices in Germany and are \*\*\* the EU export price and the South China import price for 2006, 2007, and 2008. Mittal's posthearing brief, response to Commissioner Koplan's questions, pp. 9-10.

Table CTL-V-6

CTL plate: Instances of underselling/(overselling) and the range and average margins for products 1-3, by source country,<sup>1</sup> January 2000 - June 2006<sup>2</sup>

Country	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
Finland	0	--	--	1	--	***
Germany	1	--	***	1	--	***
Romania	16	6.9 to 35.0	20.6	1	--	***

<sup>1</sup> Importers responding to Commission questionnaires did not report data for imports from Belgium, Brazil, Mexico, Poland, Spain, Sweden, Taiwan, or the United Kingdom. In addition, there were no data reported for imports of products 4 or 5 from any subject country.

<sup>2</sup> In the first reviews, there were 10 possible price comparisons between U.S.-produced CTL plate and imports from Belgium. Such imports oversold the U.S. products in all 10 comparisons. \*\*\*, however, reported that all of its imports from Belgium were of floor plate. In the original investigations, there were 247 possible price comparisons between U.S.-produced CTL plate and imports from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom. In 188 of those comparisons, subject imports undersold the domestic product; in the remaining 59 instances, the subject product oversold the domestic product. For Belgium, there were 8 instances of underselling and 11 instances of overselling, with margins of underselling ranging from 0.2 to 10.5 percent. For Brazil, there were 18 instances of underselling and 12 instances of overselling, with margins of underselling ranging from 0.4 to 26.6 percent. For Finland, there were 25 instances of underselling and 9 instances of overselling, with margins of underselling ranging from 1.1 to 25.7 percent. For Germany, there were 33 instances of underselling and 15 instances of overselling, with margins of underselling ranging from 0.4 to 23.7 percent. For Mexico, there were 2 instances of underselling and no instances of overselling, with margins of underselling ranging from 2.0 to 3.8 percent. For Poland, there were 8 instances of underselling and 2 instances of overselling, with margins of underselling ranging from 0.1 to 11.5 percent. For Romania, there were 12 instances of underselling and 1 instance of overselling, with margins of underselling ranging from 1.9 to 47.5 percent. For Spain, there were 22 instances of underselling and no instances of overselling, with margins of underselling ranging from 7.7 to 43.1 percent. For Sweden, there were 27 instances of underselling and 6 instances of overselling, with margins of underselling ranging from 4.9 to 29.3 percent. For the United Kingdom, there were 33 instances of underselling and 3 instances of overselling, with margins of underselling ranging from 1.1 to 26.5 percent.

Source: Compiled from data submitted in response to Commission questionnaires; *Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom*, Inv. Nos. AA1921-197, 701-TA-231, 319-320, 322, 325-328, 340, 342, 348-350, and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, 614-618 (Review), USITC Publication 3364 (November 2000); *Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom*, Inv. Nos. 701-TA-319-332, 334, 336-342, 344, 347-353, and 731-TA-573-579, 581-592, 594-597, 599-609, 612-619 (Final), USITC Publication 2664 (August 1993); and *Certain Carbon Steel Products (Cut-to-Length Plate) from Belgium and Germany*, Inv. Nos. 701-TA-319, 322 and 731-TA-573, 578 (Review) (Remand), confidential staff report (March 2003).



## **PART CORE-I: INTRODUCTION AND OVERVIEW**

### **GENERAL INFORMATION**

U.S. industry data are based on questionnaire responses of 23 firms that accounted for nearly all of the U.S. production of corrosion-resistant steel during the period for which data were collected in these second reviews. U.S. import data are based on official Commerce statistics. Responses by U.S. producers, importers, and purchasers of corrosion-resistant steel to a series of questions concerning the significance of the existing countervailing duty orders and the existing antidumping duty orders and the likely effects of revocation are presented in appendix J. Responses concerning the comparability of corrosion-resistant carbon and micro-alloy steel are presented in appendix H.

Table CORE-I-1 presents comparative information available from the original investigations, the first reviews, and these second reviews.

Table CORE-I-1

Corrosion-resistant steel: Comparative data from the original investigations, first reviews, and current reviews, 1990-92, 1997-99, and 2000-05

Item	Calendar years											
	1990	1991	1992	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Quantity (short tons)</b>												
Apparent U.S. consumption	12,795,000	11,489,000	13,562,000	17,776,625	18,318,059	19,934,889	21,948,820	20,478,057	22,680,025	21,693,361	25,012,571	22,686,342
<b>Share (percent)</b>												
Producers' share	85.6	85.0	82.7	91.2	91.7	90.2	92.6	92.4	90.5	92.3	87.2	88.4
Importers' shares--												
Australia	0.9	1.3	1.4	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Canada <sup>2</sup>	1.4	2.1	3.4	2.2	2.2	1.8	1.7	1.6	2.3	2.5	2.1	2.4
France	0.5	0.6	0.7	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Germany	1.3	1.2	1.4	0.3	0.1	0.2	0.2	0.1	0.2	0.2	0.1	0.3
Japan	6.6	6.0	6.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Korea	1.0	1.1	1.4	0.3	0.8	1.6	1.2	1.1	0.9	0.5	0.8	1.5
Subtotal	11.7	12.3	14.4	3.0	3.3	3.8	3.2	3.0	3.7	3.3	3.1	4.3
All other sources	2.7	2.7	2.9	5.8	4.9	6.0	4.2	4.6	5.8	4.3	9.7	7.3
Total imports	14.4	15.0	17.3	8.8	8.3	9.8	7.4	7.6	9.5	7.7	12.8	11.6
<b>Value (1,000 dollars)</b>												
Apparent U.S. consumption	7,786,000	6,801,000	7,826,000	10,896,245	10,880,352	11,031,334	11,997,978	10,138,475	11,839,622	11,817,862	17,324,558	16,414,341
<b>Share (percent)</b>												
Producers' share	84.1	84.0	81.7	91.5	91.9	90.8	92.6	92.6	90.4	91.8	86.4	87.6
Importers' shares--												
Australia	1.1	1.4	1.4	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Canada <sup>2</sup>	1.3	1.9	3.0	2.0	1.9	1.7	1.7	1.7	2.5	2.8	2.0	2.4
France	0.5	0.6	0.7	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Germany	1.4	1.2	1.5	0.3	0.1	0.2	0.2	0.1	0.3	0.2	0.1	0.3
Japan	7.6	6.9	7.2	0.2	0.2	0.3	0.2	0.2	0.3	0.2	0.1	0.1
Korea	1.2	1.2	1.5	0.4	0.9	1.5	1.2	1.2	1.0	0.7	0.9	1.7
Subtotal	13.1	13.2	15.3	2.9	3.2	3.8	3.4	3.3	4.1	3.8	3.1	4.6
All other sources	2.8	2.8	3.0	5.6	4.9	5.4	4.0	4.2	5.5	4.4	10.4	7.8
Total imports	15.9	16.0	18.3	8.5	8.1	9.2	7.4	7.4	9.6	8.2	13.6	12.4
<b>Quantity (short tons), Value (1,000 dollars), Average unit value (per short ton)</b>												
U.S. imports from—												
Australia:												
Quantity	121,230	147,624	183,782	636	82	39	220	176	275	297	119	16
Value	82,377	94,020	112,968	524	111	100	216	228	260	262	123	22
Average unit value	\$680	\$637	\$615	\$824	\$1,359	\$2,561	\$981	\$1,292	\$945	\$883	\$1,039	\$1,348

Table continued on next page.

Table CORE-I-1--Continued

Corrosion-resistant steel: Comparative data from the original investigations, first reviews, and current reviews, 1990-92, 1997-99, and 2000-05

Item	Calendar years											
	1990	1991	1992	1997	1998	1999	2000	2001	2002	2003	2004	2005
	Quantity (short tons), Value (1,000 dollars), Average unit value (per short ton)											
U.S. imports from --continued												
Canada:												
Quantity <sup>2</sup>	180,030	245,091	451,082	393,986	397,529	356,620	380,490	331,774	530,248	552,434	524,711	547,326
Value <sup>2</sup>	102,188	132,391	234,752	215,365	208,575	192,081	208,645	173,957	292,684	331,067	341,546	398,538
Average unit value <sup>2</sup>	\$568	\$540	\$520	\$547	\$525	\$539	\$548	\$524	\$552	\$599	\$651	\$728
France:												
Quantity	59,087	70,786	94,523	5,677	2,478	4,121	3,608	9,302	15,753	6,530	4,613	1,778
Value	36,666	40,776	53,306	3,725	1,890	2,377	1,543	3,944	8,601	3,848	3,268	1,949
Average unit value	\$621	\$576	\$564	\$656	\$763	\$577	\$428	\$424	\$546	\$589	\$708	\$1,096
Germany:												
Quantity	161,712	137,767	189,192	54,869	21,557	34,434	46,453	23,557	53,479	34,530	31,191	75,941
Value	106,892	84,820	119,055	33,776	16,060	21,071	28,221	13,955	30,585	20,312	17,999	48,634
Average unit value	\$661	\$616	\$629	\$616	\$745	\$612	\$608	\$592	\$572	\$588	\$577	\$640
Japan:												
Quantity	838,598	681,563	824,743	24,269	34,182	49,248	27,543	17,338	24,304	18,570	19,628	16,762
Value	591,512	468,218	562,349	21,908	27,159	35,961	23,072	15,273	30,092	20,206	19,464	19,054
Average unit value	\$705	\$687	\$682	\$903	\$795	\$730	\$838	\$881	\$1,238	\$1,088	\$992	\$1,137
Korea:												
Quantity	124,220	124,897	193,513	58,658	154,984	309,989	253,528	235,041	212,413	113,810	201,002	330,858
Value	89,731	83,030	119,120	42,580	97,667	166,010	140,605	123,305	122,919	77,195	156,934	285,156
Average unit value	\$722	\$665	\$616	\$726	\$630	\$536	\$555	\$525	\$579	\$678	\$781	\$862
All subject sources:												
Quantity	1,484,877	1,407,728	1,936,835	538,095	610,811	754,451	711,842	617,188	836,473	726,171	781,264	972,681
Value	1,009,366	903,255	1,201,550	317,878	351,463	417,600	402,301	330,662	485,142	452,890	539,333	753,352
Average unit value	\$680	\$642	\$620	\$591	\$575	\$554	\$565	\$536	\$580	\$624	\$690	\$775
Other sources:												
Quantity	348,330	308,147	391,118	1,030,237	906,203	1,198,894	919,625	933,033	1,325,751	936,741	2,424,153	1,647,998
Value	225,255	184,471	230,977	612,252	532,307	595,013	481,017	420,783	647,862	515,137	1,808,700	1,286,429
Average unit value	\$647	\$599	\$591	\$594	\$587	\$496	\$523	\$451	\$489	\$550	\$746	\$781
All sources:												
Quantity	1,833,207	1,715,875	2,327,953	1,568,332	1,517,014	1,953,345	1,631,467	1,550,221	2,162,224	1,662,911	3,205,416	2,620,679
Value	1,234,621	1,087,726	1,432,527	930,130	883,770	1,012,613	883,318	751,445	1,133,004	968,027	2,348,033	2,039,782
Average unit value	\$673	\$634	\$615	\$593	\$583	\$518	\$541	\$485	\$524	\$582	\$733	\$778

Table continued on next page.

Table CORE-I-1--Continued

Corrosion-resistant steel: Comparative data from the original investigations, first reviews, and current reviews, 1990-92, 1997-99, and 2000-05

Item	Calendar years											
	1990	1991	1992	1997	1998	1999	2000	2001	2002	2003	2004	2005
	Quantity (short tons), Value (1,000 dollars), Average unit value (per short ton)											
U.S. producers'—												
Capacity	13,752,000	14,258,000	14,983,000	18,325,094	19,870,392	21,725,474	26,321,105	25,698,401	26,161,576	25,663,099	26,283,125	26,280,223
Production	11,288,000	9,941,000	11,450,000	16,777,451	17,747,333	18,960,113	21,213,322	19,537,128	21,289,304	20,455,321	22,392,513	20,889,145
Capacity utilization <sup>3</sup>	82.1	69.7	76.4	91.6	89.3	87.3	80.6	76.0	81.4	79.7	85.2	79.5
U.S. shipments												
Quantity	10,962,000	9,774,000	11,235,000	16,208,293	16,801,045	17,981,544	20,317,353	18,927,836	20,517,801	20,030,450	21,807,155	20,065,663
Value	6,551,000	5,714,000	6,393,000	9,966,115	9,996,582	10,018,721	11,114,660	9,387,030	10,706,618	10,849,835	14,976,525	14,374,559
Unit value	\$599	\$589	\$575	\$615	\$595	\$557	\$547	\$496	\$522	\$542	\$687	\$716
Ending inventories	1,398,000	1,376,000	1,409,000	1,511,463	1,845,068	2,123,546	2,086,296	1,900,994	1,939,320	1,855,669	1,745,399	1,701,618
Inventories/total shipments <sup>3</sup>	12.8	14.2	12.6	9.1	10.7	11.5	9.9	9.6	9.1	8.9	7.7	8.1
PRWs (number)	10,129	9,680	9,942	23,318	24,074	22,879	24,546	24,568	20,868	15,211	13,999	13,348
Hours worked (1,000)	20,366	19,025	20,113	48,468	50,251	49,057	50,757	44,888	41,018	32,512	31,531	29,927
Net sales (1,000 dollars)												
Quantity	10,789,000	9,526,000	11,048,000	16,637,652	17,380,151	18,614,348	20,141,105	19,629,769	20,954,676	19,537,241	22,276,759	20,679,606
Value	6,513,000	5,615,000	6,312,000	10,224,465	10,348,910	10,393,878	11,091,856	9,797,243	10,989,071	10,474,476	15,186,936	14,712,596
Unit value	\$604	\$589	\$571	\$615	\$595	\$558	\$551	\$499	\$524	\$536	\$682	\$711
COGS	5,780,000	5,357,000	5,959,000	8,810,259	9,062,220	9,383,494	10,514,307	9,868,736	10,726,907	9,911,144	13,047,722	13,466,769
Gross profit or (loss)	733,000	258,000	353,000	1,414,206	1,286,690	1,010,384	577,549	(71,493)	262,164	563,332	2,139,214	1,245,827
Operating income or (loss)	447,000	(28,000)	77,000	1,070,501	895,383	617,421	151,581	(485,119)	(173,824)	74,289	1,644,320	717,789
Unit COGS	\$536	\$562	\$539	\$530	\$521	\$504	\$522	\$503	\$512	\$507	\$586	\$651
Unit operating income or (loss)	\$41	(\$3)	\$7	\$64	\$52	\$33	\$8	(\$25)	(\$8)	\$4	\$74	\$35
COGS/sales <sup>3</sup>	88.7	95.4	94.4	86.2	87.6	90.3	94.8	100.7	97.6	94.6	85.9	91.5
Operating income or (loss)/sales <sup>3</sup>	6.9	(0.5)	1.2	10.5	8.7	5.9	1.4	(5.0)	(1.6)	0.7	10.8	4.9

<sup>1</sup> Less than 0.05 percent.<sup>2</sup> As discussed in Part CORE-IV, subject U.S. imports from Canada are believed to be somewhat overstated due to the inclusion of tin- and chromium-coated steel sheet that has been lacquered.<sup>3</sup> In percent.

Note.—Data for the period 2000-05 include 11 more mills (representing 13.5 percent of 2005 production) than data for 1997-99.

Source: Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, The Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and The United Kingdom, Inv. Nos. AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review), USITC Publication 3364, November 2000, official Commerce import statistics, and data compiled from responses to Commission questionnaires.



## COMMERCE'S REVIEWS

### Administrative Reviews

The following tables present information on Commerce's administrative reviews of the subject orders.<sup>1 2</sup>

#### Australia

Commerce completed two antidumping duty order administrative reviews of producers/exporters from Australia. The results of the administrative reviews are shown in the following table:

**Table CORE-I-2**

**Corrosion-resistant steel: Administrative reviews of the antidumping duty order for Australia**

Date results published	Period of review	Producer or exporter	Margin
March 29, 1996 (61 FR 14649)	2/04/1993 - 7/31/1994	BHP	39.05 <sup>1</sup>
		All others	24.96 <sup>2</sup>
August 27, 1996 (61 FR 44039)	8/01/1994 - 7/31/1995	BHP	39.05
		All others	24.96
<sup>1</sup> Amended on August 2, 1996. 61 FR 40399. <sup>2</sup> Rate from duty order.			
Source: Cited <i>Federal Register</i> notices.			

#### Canada

Commerce completed nine antidumping duty order administrative reviews of producers/exporters from Canada and has published the preliminary results of a tenth administrative review. A review for the period of August 1, 1999 through July 31, 2000 was initiated and then rescinded.<sup>3</sup> Commerce found duty absorption in its administrative reviews for August 1, 1995 to July 31, 1996 and August 1, 1997 to July 31, 1998. The results of the completed administrative reviews are shown in the following table:

**Table CORE-I-3**

**Corrosion-resistant steel: Administrative reviews of the antidumping duty order for Canada**

Date results published	Period of review	Producer or exporter	Margin
March 28, 1996 (61 FR 13815)	2/04/1993 - 7/31/1994	CCC (Continuous Colour Coating)	1.96
		Dofasco	1.65
		Stelco	0.19 <sup>1</sup>
		All others	18.71
April 15, 1997 (62 FR 18448) <sup>2</sup>	8/01/1994 - 7/31/1995	CCC	1.31
		Dofasco	0.59
		Stelco	0.55 <sup>3</sup>
		All others	18.71

Table continued on next page.

<sup>1</sup> There were no administrative reviews for firms covered by the antidumping duty order or (prior to its revocation) countervailing duty order on corrosion-resistant steel from Germany.

<sup>2</sup> For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

<sup>3</sup> 66 FR 39145, July 27, 2001.

**Table CORE-I-3--Continued**

**Corrosion-resistant steel: Administrative reviews of the antidumping duty order for Canada**

Date results published	Period of review	Producer or exporter	Margin
March 16, 1998 (63 FR 12725) <sup>4</sup>	8/01/1995 - 7/31/1996	CCC <sup>5</sup>	0.54
		Dofasco <sup>5</sup>	0.72
		Stelco <sup>5</sup>	0 <sup>6</sup>
		All others	18.71
January 13, 1999 (64 FR 2173) <sup>7</sup>	8/01/1996 - 7/31/1997	CCC	2.26
		Dofasco	1.00
		Stelco	2.73
		All others	18.71
February 24, 2000 (65 FR 9243) <sup>8</sup>	8/01/1997 - 7/31/1998	CCC <sup>9</sup>	1.01
		Dofasco	0.20 <sup>1</sup>
		National	5.65
		Stelco <sup>9</sup>	4.24
		All others	18.71
January 16, 2001 (66 FR 3543) <sup>10</sup>	8/01/1998 - 7/31/1999	CCC	2.11
		Dofasco	0.51
		Sorevco	0.51
		All others	18.71
January 16, 2004 (69 FR 2566) <sup>11,12</sup>	8/01/2001 - 07/31/2002	Dofasco	1.87
		All others	18.71
March 21, 2005 (70 FR 13458) <sup>13, 14, 15</sup>	8/01/2002 - 7/31/2003	Dofasco	2.15
		Stelco	0.02
		All others	18.71
March 16, 2006 (71 FR 13582) <sup>16</sup>	8/01/2003 - 7/31/2004	Dofasco	2.96
		Stelco	3.08
		All others	18.71
September 11, 2006 (71 FR 53363) <sup>17</sup>	8/01/2004 - 7/31/2005	Dofasco	4.78
		Stelco	1.45
		All others	18.71

<sup>1</sup> De minimis margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.

<sup>2</sup> Results amended on August 19, 1997. 62 FR 44105.

<sup>3</sup> Results amended in accordance with NAFTA Binational Panel Decision on May 20, 2003. 68 FR 27529.

<sup>4</sup> Results amended on May 18, 1998. 63 FR 27258.

<sup>5</sup> Commerce found that duties were absorbed on 2.72 percent of CCC's U.S. sales; 16.05 percent of Dofasco's U.S. sales; and 16.50 percent of Stelco's sales. 63 FR 12725, March 16, 1998.

<sup>6</sup> Results amended in accordance with NAFTA Panel Decision on October 12, 2001. 66 FR 52095.

<sup>7</sup> Results amended on February 16, 1999. 64 FR 7622.

<sup>8</sup> Results amended on April 7, 2000. 65 FR 18287.

<sup>9</sup> Commerce found that duties were absorbed on 20.38 percent of CCC's U.S. sales and 22.63 percent of Stelco's sales.

<sup>10</sup> Results amended on February 26, 2001. 66 FR 11553.

<sup>11</sup> Results amended on February 24, 2004. 69 FR 8380.

<sup>12</sup> Stelco included in initial review, but rescinded on July 11, 2003. 68 FR 41302.

<sup>13</sup> Results amended on May 3, 2005. 70 FR 22846.

<sup>14</sup> CCC, Impact Steel, and Ideal Roofing included in initial review, but rescinded on December 19, 2003. 68 FR 70764. Russel Metals included in initial review, but rescinded on March 30, 2004. 69 FR 16521.

<sup>15</sup> Dofasco, Sorevco, and Do Sol Galva were collapsed and treated as a single respondent as in prior segments of the proceeding, 69 FR 55138. September 13, 2004.

<sup>16</sup> Impact Steel included in initial review, but rescinded on April 7, 2005. 70 FR 17648.

<sup>17</sup> Preliminary results.

Source: Cited *Federal Register* notices.

## France

Commerce initiated and then rescinded an antidumping duty administrative review for the period August 1, 2004 to July 31, 2005 and initiated and rescinded a countervailing duty administrative review for the period December 7, 1992 to December 31, 1993.<sup>4</sup> In September 2006, Commerce published the preliminary results of a countervailing duty administrative review for the period January 1, 2004 to December 31, 2004, and calculated a preliminary margin of 0.00 percent for Duferco.<sup>5</sup>

## Germany

Commerce initiated no antidumping or countervailing duty administrative reviews of subject merchandise from Germany. Commerce revoked Germany's countervailing duty order in 2004.<sup>6</sup>

## Japan

Since the issuance of the antidumping duty order, three administrative reviews have been completed with regard to subject imports from Japan. Commerce rescinded reviews for the periods August 1, 1998 to July 31, 1999; August 1, 2002 to July 31, 2003; and August 1, 2003 to July 31, 2004.<sup>7</sup> The results of the completed administrative reviews are shown in the following table:

**Table CORE-I-4**

**Corrosion-resistant steel: Administrative reviews of the antidumping duty order for Japan**

Date results published	Period of review	Producer or exporter	Margin
March 16, 1999 (64 FR 12951)	6/30/1996 - 7/01/1997	Nippon	12.51
		All others	36.41
February 23, 2000 (65 FR 8935)	6/30/1997 - 7/01/1998	Nippon	2.47
		Kawasaki	1.61
		All others	36.41
July 17, 2006 (71 FR 40471) <sup>1</sup>	8/01/2004 - 7/31/2005	Nippon Steel	36.41
		All others	36.41
<sup>1</sup> Kawasaki included in the initial review, but rescinded due to no shipments of corrosion-resistant steel by Kawasaki during Commerce's period of review.			
Source: Cited <i>Federal Register</i> notices.			

## Korea

Commerce completed nine antidumping duty order administrative reviews of producers/exporters from Korea and has published the preliminary results of another. Reviews for the periods August 1, 2000

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<sup>4</sup> 71 FR 16553, April 3, 2006, and 59 FR 56056, November 10, 1994.

<sup>5</sup> 71 FR 68549, November 27, 2006.

<sup>6</sup> 69 FR 17131, April 4, 2004.

<sup>7</sup> 65 FR 14534, March 17, 2000; 69 FR 18346, April 7, 2004; and 70 FR 36369, June 23, 2005.

to July 31, 2001 and August 1, 2001 to July 31, 2002 were rescinded.<sup>8</sup> The results of the completed administrative reviews are shown in the following table:

**Table CORE-I-5**

**Corrosion-resistant steel: Administrative reviews of the antidumping duty order for Korea**

Date results published	Period of review	Producer or exporter	Margin
April 26, 1996 (61 FR 18547)	2/04/1993 - 7/31/1994	Dongbu	1.50
		Union	10.74
		All others	17.70
April 15, 1997 (62 FR 18404) <sup>1</sup>	8/01/1994 - 7/31/1995	Dongbu	0.04
		The POSCO Group	0.09 <sup>2</sup>
		Union	1.41
		All others	17.70
March 18, 1998 (63 FR 13170) <sup>3</sup>	8/01/1995 - 7/31/1996	Dongbu <sup>4</sup>	0.60
		The POSCO Group <sup>4</sup>	1.46
		Union <sup>4</sup>	0.39 <sup>2</sup>
		All others	17.70
March 16, 1999 (64 FR 12927)	8/01/1996 - 7/31/1997	Dongbu	1.49
		The POSCO Group	0.16
		Union	0.14
		All others	17.70
March 13, 2000 (65 FR 13359) <sup>5</sup>	8/01/1997 - 7/31/1998	Dongbu <sup>6</sup>	1.42
		The POSCO Group <sup>6</sup>	0.68
		Union	0.14
		All others	17.70
January 16, 2001 (66 FR 3540) <sup>7</sup>	8/01/1998 - 7/31/1999	Dongbu	0.13
		The POSCO Group	2.24
		Union	0.29
		All others	17.70
March 18, 2002 (67 FR 11976) <sup>8</sup>	8/01/1999 - 7/31/2000	Dongbu	0.26
		SeAH	0
		The POSCO Group	0.86
		Union	0.27
		All others	17.70
March 14, 2005 (70 FR 12443) <sup>9</sup>	8/01/2002 - 7/31/2003	Dongbu	0.33 <sup>2</sup>
		Union	0.36 <sup>2</sup>
		POSCO	2.34
		HYSKO	0.00
		Dongshin	17.70
		All others	17.70

Table continued on next page.

<sup>8</sup> 66 FR 63521, December 7, 2001, and 67 FR 68832, November 13, 2002.

**Table CORE-I-5--Continued****Corrosion-resistant steel: Administrative reviews of the antidumping duty order for Korea**

Date results published	Period of review	Producer or exporter	Margin
February 13, 2006 (71 FR 7513) <sup>10, 11</sup>	8/01/2003 - 7/31/2004	Dongbu	2.26
		Union	1.60
		The POSCO Group	2.16
		HYSKO	0.00
		Dongshin	17.70
		All others	17.70
September 11, 2006 (71 FR 53370) <sup>12</sup>	8/01/2004 - 7/31/2005	Dongbu	1.97
		HYSKO	0.03 <sup>2</sup>
		The POSCO Group	0.48 <sup>2</sup>
		Union	1.69
		All others	17.70
<sup>1</sup> Results amended in accordance with court decision on June 11, 2002. 67 FR 39955. First amended on June 20, 1997. 62 FR 33587.			
<sup>2</sup> De minimis margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.			
<sup>3</sup> Results amended on April 27, 1998, 63 FR 20572, and results amended in accordance with court decision on June 11, 2002. 67 FR 39956.			
<sup>4</sup> Duty absorption occurred during the period through respondents' U.S. affiliates: the percentage of U.S. affiliates' sales with dumping margins for Dongbu was 5.82 percent, for the POSCO Group was 14.64 percent, and for Union Steel was 8.99 percent. 63 FR 13170, March 18, 1998.			
<sup>5</sup> Results amended on April 25, 2000. 65 FR 24180.			
<sup>6</sup> Duty absorption occurred during the period through respondents' U.S. affiliates: the percentage of U.S. affiliates' sales with dumping margins was 20.68 percent for Dongbu and 6.85 percent for the POSCO Group. 65 FR 24180, April 25, 2000.			
<sup>7</sup> Results amended on March 14, 2001. 66 FR 14883.			
<sup>8</sup> Results amended on April 29, 2002. 67 FR 20956.			
<sup>9</sup> SeAH included in the initial review, but rescinded because it did not have exports or sales of the subject merchandise to the United States in the period of review. 69 FR 34646, June 22, 2004.			
<sup>10</sup> Results amended on March 20, 2006. 71 FR 13962.			
<sup>11</sup> SeAH included in initial review, but rescinded because it did not have exports or sales of the subject merchandise to the United States in the period of review. 70 FR 53153, September 7, 2005.			
<sup>12</sup> Preliminary results.			
Source: Cited <i>Federal Register</i> notices.			

Commerce initiated and then rescinded countervailing duty administrative reviews for Korea for the periods of January 1 to December 31, 1997 and January 1 to December 31, 1998<sup>9</sup> and, as presented in table CORE-I-6, has published the preliminary results of a countervailing duty administrative review.

**Table CORE-I-6****Corrosion-resistant steel: Administrative review of the countervailing duty order for Korea**

Date results published	Period of review	Producer or exporter	Margin
September 11, 2006 (71 FR 53413) <sup>1</sup>	1/01/2004 - 12/31-2004	Dongbu	0.39 <sup>2</sup>
		POSCO	0.07 <sup>2</sup>
<sup>1</sup> Preliminary results. <sup>2</sup> De minimis margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.			
Source: Cited <i>Federal Register</i> notices.			

<sup>9</sup> 63 FR 69045, December 15, 1998, and 65 FR 6162, February 8, 2000.

## Duty Absorption Findings

Commerce made four duty absorption findings in its antidumping administrative reviews. For the August 1, 1995 to July 31, 1996 review period for Canadian producers, Commerce found that CCC absorbed duties on 2.72 percent of its U.S. sales, Dofasco absorbed duties on 16.05 percent of its U.S. sales, and Stelco absorbed duties on 16.50 percent of its sales.<sup>10</sup> For the August 1, 1997 to July 31, 1998 review period for Canadian producers, CCC absorbed duties on 20.38 percent of its U.S. sales, and Stelco absorbed duties on 22.63 percent of its sales.<sup>11</sup> For the August 1, 1995 to July 31, 1996 period for Korea, duty absorption occurred through respondents' U.S. affiliates: the percentage of U.S. affiliates' sales with dumping margins was 5.82 percent for Dongbu, 14.64 percent for the POSCO Group, and 8.99 percent for Union Steel.<sup>12</sup> For the August 1, 1997 to July 31, 1998 period for Korea, Commerce found that duty absorption occurred through respondents' U.S. affiliates: the percentage of U.S. affiliates' sales with dumping margins was 20.68 percent for Dongbu and 6.85 percent for the POSCO Group.<sup>13</sup>

## Results of Expedited and Full Five-Year Reviews

Commerce has issued final determinations with respect to all subject countries. Tables CORE-I-7 and CORE-I-8 present the margins calculated by Commerce in its original investigations, first reviews, and recent second reviews.

**Table CORE-I-7**

**Corrosion-resistant steel: Commerce's original, first five-year, and second five-year antidumping duty margins for producers/exporters, by subject country**

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)
<b>Australia<sup>1</sup></b>			
BHP	24.96	24.96	24.96
All others	24.96	24.96	24.96
<b>Canada<sup>2</sup></b>			
Dofasco <sup>3</sup>	11.71 <sup>4</sup>	11.71	11.71
Stelco	28.27	22.70	22.70
All others	22.29	18.71	18.71
<b>France<sup>5</sup></b>			
Usinor	29.41	29.41	29.41
All others	29.41	29.41	29.41

Table continued on next page.

<sup>10</sup> 63 FR 12725, March 16, 1998.

<sup>11</sup> 65 FR 9243, February 24, 2000.

<sup>12</sup> 63 FR 13170, March 18, 1998.

<sup>13</sup> 65 FR 24180, April 25, 2000.

**Table CORE-I-7--Continued**

**Corrosion-resistant steel: Commerce's original, first five-year, and second five-year antidumping duty margins for producers/exporters, by subject country**

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)
<b>Germany<sup>6</sup></b>			
Thyssen	10.02	10.02	10.02
All others	10.02	10.02	10.02
<b>Japan<sup>7</sup></b>			
Nippon	36.41	36.41	36.41
Kawasaki	36.41	36.41	36.41
All others	36.41	36.41	36.41
<b>Korea<sup>8</sup></b>			
POSCO	17.70	17.70	17.70
All others	17.70	17.70	17.70
<sup>1</sup> Antidumping duty order, 58 FR 44161, August 19, 1993; final results of first expedited sunset review, 65 FR 18049, April 6, 2000; final results of second expedited sunset review, 71 FR 32508, June 6, 2006. <sup>2</sup> Antidumping duty order, 58 FR 44162, August 19, 1993; final results of first full sunset review, 65 FR 47379, August 2, 2000; final results of second expedited sunset review, 71 FR 32508, June 6, 2006. <sup>3</sup> Commerce collapsed Sorevco into Dofasco, which had a 50-percent ownership interest in Sorevco. 65 FR 18286, April 7, 2000. <sup>4</sup> Amended results, 60 FR 49582, September 26, 1995. <sup>5</sup> As the result of a determination by the U.S. Court of International Trade, Commerce recalculated the final margins that appeared in the original antidumping duty order (58 FR 44169, August 19, 1993), 61 FR 51274, October 1, 1996; final results of first expedited sunset review, 65 FR 18050, April 6, 2000; final results of second expedited sunset review, 71 FR 32508, June 6, 2006. <sup>6</sup> Antidumping duty order, 58 FR 44170, August 19, 1993; final results of first expedited sunset review, 65 FR 18051, April 6, 2000; amended final results of sales at less than fair value, 65 FR 58044, September 27, 2000; final results of second expedited sunset review, 71 FR 32508, June 6, 2006. <sup>7</sup> Antidumping duty order, 58 FR 44163, August 19, 1993; final results of first full sunset review, 65 FR 47380, August 2, 2000; final results of second expedited sunset review, 71 FR 32508, June 6, 2006. <sup>8</sup> Amended final determination of sales at LTFV, 58 FR 41083, August 2, 1993; antidumping duty order, 58 FR 44159, August 19, 1993; final results of first expedited sunset review, 65 FR 18044, April 6, 2000; final results of second expedited sunset review, 71 FR 32508, June 6, 2006.			
Source: Cited Federal Register notices.			

Table CORE-I-8

**Corrosion-resistant steel: Commerce's original, first five-year, and second five-year countervailing duty margins for corrosion-resistant steel producers/exporters, by subject country**

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)
<b>France<sup>1</sup></b>			
Usinor	( <sup>2</sup> )	15.13	( <sup>2</sup> )
Country-wide	15.13	15.13	0.16
<b>Germany<sup>3</sup></b>			
Country-wide	0.54	0.54	( <sup>4</sup> )
<b>Korea<sup>5</sup></b>			
Country-wide	1.15 <sup>6</sup>	0.54	1.15
<sup>1</sup> Countervailing duty order, 58 FR 37304, July 9, 1993, and countervailing duty order and amendment of final countervailing duty order, 58 FR 43759, August 17, 1993; final results of first expedited sunset review, 65 FR 18063, April 6, 2000; final results of second full sunset review, 71 FR 58584, October 4, 2006. <sup>2</sup> No rate specified for Usinor. <sup>3</sup> Countervailing duty order, 58 FR 43756, August 17, 1993; final results of first full sunset review determination, 65 FR 47407, August 2, 2000. <sup>4</sup> Commerce revoked the countervailing duty order against corrosion-resistant steel from Germany in 2004. 69 FR 17131, April 1, 2004. <sup>5</sup> Countervailing duty order, 58 FR 37304, July 9, 1993; final results of first expedited sunset review, 65 FR 18973, April 10, 2000; final results of second expedited sunset review, 71 FR 32519, June 6, 2006. <sup>6</sup> Amended final affirmative countervailing duty determinations in accordance with decision upon remand, 66 FR 16656, March 27, 2001. Source: Cited Federal Register notices.			

## DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

The Continued Dumping and Subsidy Offset Act of 2000 ("CDSOA") (also known as the Byrd Amendment) provides that assessed duties received pursuant to antidumping or countervailing duty orders must be distributed to affected domestic producers for certain qualifying expenditures that these producers incur after the issuance of such orders.<sup>14</sup> During the review period, qualified U.S. producers of corrosion-resistant steel were eligible to receive disbursements from the U.S. Customs and Border Protection ("Customs") under CDSOA relating to three countervailing duty and six antidumping duty orders on the subject product beginning in Federal fiscal year 2001.<sup>15</sup> Tables CORE-I-9 and CORE-I-10 present CDSOA disbursements and claims for Federal fiscal years (October 1-September 30) 2001-05 by source and by firm, respectively.

<sup>14</sup> Section 754 of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)).

<sup>15</sup> 19 CFR 159.64 (g).



**Table CORE-I-9****Corrosion-resistant steel: CDSOA disbursements, by source, Federal fiscal years 2001-05**

Item	Federal fiscal year				
	2001	2002	2003	2004	2005
<b>Disbursements (1,000 dollars)</b>					
Australia (AD)	0	0	13	0	20
Canada (AD)	2,025	103	8,364	6,423	226
France (AD)	280	1	1	7	658
France (CVD)	0	( <sup>1</sup> )	0	29	338
Germany (AD)	29	6	2,878	185	1,497
Germany (CVD) <sup>2</sup>	0	1	371	15	78
Japan (AD)	4,722	979	1,398	969	84
Korea (AD)	1	3,980	525	216	590
Korea (CVD)	0	0	1,169	(6)	124
Total	7,056	5,069	14,721	7,839	3,614

<sup>1</sup> Less than \$500.<sup>2</sup> Order revoked.

Note.--Negative disbursement amounts are the result of refunds to importers as a result of liquidations or court cases. Because of rounding, figures may not add to the totals shown.

Source: U.S. Customs and Border Protection's CDSOA *Annual Reports*. Retrieved from [www.cbp.gov/xp/cgov/import/add\\_cvd](http://www.cbp.gov/xp/cgov/import/add_cvd).

**Table CORE-I-10****Corrosion-resistant steel: CDSOA disbursements, by firm, and total claims, Federal fiscal years 2001-05**

Item	Federal fiscal year				
	2001	2002	2003	2004	2005
<b>Disbursements (1,000 dollars)</b>					
AK Steel Corporation <sup>1</sup>	560	1,103	2,722	1,322	685
Bethlehem Steel	3,282	1,240	0	0	0
California Steel Industries	0	0	370	248	102
International Steel Group	0	0	4,620	2,622	0
Ispat Inland, Inc. <sup>2</sup>	411	779	1,756	994	492
LTV Steel	421	0	0	0	0
Mittal Steel USA ISG Inc.	0	0	0	0	1,088
National Steel	242	457	0	0	0
Rouge Steel Company	0	0	614	0	0
Severstal North America Inc.	0	0	0	( <sup>3</sup> )	170
Thompson Steel Co. Inc.	0	0	0	61	0
U.S. Steel	1,765	1,069	0	0	0
United States Steel Corp. <sup>4</sup>	0	0	3,923	2,444	1,023
United Steel, Paper...International Union	0	0	0	0	( <sup>3</sup> )
WCI Steel	371	137	227	145	55
Weirton Steel	0	283	488	0	0
Total	7,056	5,069	14,721	7,839	3,614

Table continued on next page.

**Table CORE-I-10--Continued****Corrosion-resistant steel: CDSOA disbursements, by firm, and total claims, Federal fiscal years 2001-05**

Claims (1,000 dollars)					
Total	395,375,820	360,987,710	256,421,963	501,720,126	758,432,126
<sup>1</sup> AK Steel became the successor to Armco Steel after 2001. <sup>2</sup> Ispat Inland, Inc. became the successor to Inland Steel Industries after 2001. <sup>3</sup> Less than \$500. <sup>4</sup> United States Steel Corp. became the successor to National Steel and U.S. Steel after 2002.  Note.--Because of rounding, figures may not add to the totals shown.  Source: U.S. Customs and Border Protection's CDSOA <i>Annual Reports</i> . Retrieved from <a href="http://www.cbp.gov/xp/cgov/import/add_cvd">www.cbp.gov/xp/cgov/import/add_cvd</a> .					

## THE SUBJECT MERCHANDISE

### Commerce's Scope

The scope definition for the imported product subject to the countervailing duty and antidumping duty orders under review, as defined by Commerce, is as follows:

Flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness. Included in these orders are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (i.e., products which have been "worked after rolling")--for example, products which have been beveled or rounded at the edges.

Excluded from these reviews are: flat rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel"), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating; clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness; and certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio.<sup>16</sup>

The subject orders have been partially revoked four times for product from Japan: (1) with regard to a three-layered product (a zinc alloy layer, followed by a layer of

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<sup>16</sup> As a result of a scope ruling, steel coils having a thickness of 0.8 mm and a width of 2000 mm, electrolytically coated with zinc, were within the scope of the order (63 FR 29700, June 1, 1998). As a result of a scope ruling, annealed nickel plate is within the scope of the order (70 FR 55110, September 20, 2005).

chromate, and a final layer of silicate) having specific dimensions;<sup>17</sup> (2) with regard to corrosion-resistant steel flat products with certain dimensions and coatings used by a domestic producer of rubber seals and metal inserts for ball bearings;<sup>18</sup> (3) with regard to two products: (a) steel coil with an aluminum alloy lining and (b) steel coil with a polytetrafluorethylene (PTFE) lead-based lining;<sup>19</sup> and (4) doctor blades.<sup>20</sup>

### **Tariff Treatment**

The subject merchandise is imported under the following HTS statistical reporting numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090. General U.S. tariffs on corrosion-resistant steel, applicable to U.S. imports that are products of the subject countries (other than certain goods of Canada, as discussed below) and classified under these headings, ranged from 2.4 to 6.5 percent *ad valorem* at the time of the original investigations. These duties were subject to phased elimination beginning in 1995 and were eliminated as of January 1, 2004. Duties on eligible goods of Canada under the U.S.-Canada Free Trade Agreement ranged from 1.2 to 3.2 percent *ad valorem* at the time of the original investigations, were subject to phased elimination, and were eliminated as of January 1, 1998. Further details regarding the relevant HTS statistical reporting numbers are presented in appendix D.

### **THE DOMESTIC LIKE PRODUCT**

#### **Description and Applications<sup>21</sup>**

Corrosion-resistant steel is steel sheet that has been coated or plated with a corrosion- or heat-resistant, metal coating to prevent corrosion and thereby extend the service life of products produced from the steel. Galvanized steel (coated with zinc), aluminized steel (coated with aluminum), and steel coated with any of several zinc-aluminum alloys comprise almost all of the product at issue. Steel coated with other metals, however, including nickel and copper, as well as steel clad with aluminum or stainless steel sheet also are included within Commerce's scope.

Corrosion-resistant steel is used in the manufacture of automobiles and trucks, in appliances, industrial equipment, agricultural equipment and is widely used in such construction applications as roofing, siding, hardware, roof and bridge deck, guard rails, culverts and the like. The use of corrosion-resistant steel has been a key factor in extending the service life of automobiles; it is used for almost all automobile bodies, fenders, doors, and hood and deck lids.

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<sup>17</sup> 62 FR 66848, December 12, 1997.

<sup>18</sup> 64 FR 14862, March 29, 1999.

<sup>19</sup> 64 FR 57032, October 22, 1999.

<sup>20</sup> 65 FR 53983, September 6, 2000.

<sup>21</sup> Information in this section is drawn to a large degree from previous reviews on carbon steel products. In particular, *see Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom (Review)*, Inv. Nos. AA1921-197, 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350, and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618, USITC Publication 3364, November 2000, pp. CORROSION-I-17 to I-18.

Galvannealed steel is zinc-coated steel whose coating has been heated to allow the zinc to form an alloy with the base steel. Galvannealed steel is considered to be more suitable for painting than galvanized steel, however, the coating is more prone to flaking when fabrication involves extensive cold forming. Aluminized steel and zinc-aluminum alloy coated steel are considered to be more heat resistant, resisting corrosion at higher temperatures than galvanized steel.

Corrosion-resistant steel with other metal coatings, including copper, nickel, nickel-zinc, and cobalt, is produced in much smaller quantities than galvanized and aluminized steel, and usually by smaller firms specializing in such coatings. Such products are used for specialized applications, often for automobile parts and in battery manufacture.<sup>22</sup>

## **Manufacturing Processes**

There are two widely used processes for producing corrosion-resistant steel: the hot-dip process, in which steel sheet is passed through a bath of molten zinc or aluminum, and the electrolytic process, in which steel sheet is passed through a series of electrolytic cells and zinc or other metal is electrolytically plated onto the surface of the steel. In either case, the starting material is cold-rolled sheet steel.<sup>23 24</sup>

Most hot-dip processing lines have in-line annealing, therefore, steel can be processed directly after cold rolling. The steel coil is set up on a decoiler and the leading end is welded onto the trailing end of the previously processed coil. The steel moves through an annealing furnace and then directly into a pot of molten metal (zinc, aluminum, or zinc-aluminum alloy). Upon emerging from the molten metal, excess metal is blown from the surface by gas jets, controlling the amount remaining on the surface (the coating weight). The coated steel continues through a cooling section and additional processing steps, including leveling and coating with any of several oil or chemical surface treatments. The steel is then recoiled, cut away from the succeeding coil, and removed from the processing line. Processing lines used to produce galvannealed steel have a special furnace through which the steel passes after leaving the gas jets and before entering the cooling section.

Because processing lines for electrolytically galvanized steel do not normally include in-line annealing equipment, the starting material is cold-rolled steel that has been annealed and usually temper rolled prior to processing. The processing line includes a series of electrolytic cells rather than the annealing, metal pot, and cooling section of a hot-dip line. The coating metal is electrolytically plated from a sulfate or chloride solution onto the surface of the steel. Other metallic coatings, including nickel and copper, are produced by electrolytic coating.

## **Marketing**

The largest share of U.S. sales of corrosion-resistant steel is to automotive end users. From 2000 to 2002, the largest share of U.S. imports of corrosion-resistant steel was to steel service centers and distributors; whereas from 2003 to 2005 the largest share was to automotive end users. Table CORE-I-11 presents information on U.S. producers' and U.S. importers' channels of distribution.

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<sup>22</sup> Although not domestically-produced, TCC reported that its electrolytic nickel-plated corrosion-resistant steel is used for battery manufacture and automotive fuel lines, and its copper-plated corrosion-resistant steel is used for self-lubricating bearings manufacture. TCC's prehearing brief, pp. 1-2.

<sup>23</sup> The raw material input for cold-rolled steel is hot-rolled steel. Hot-rolled steel is cleaned, or pickled, in a bath of sulfuric or hydrochloric acid to remove surface oxide (scale) formed during hot rolling. The cleaned (pickled) steel is then processed through a cold-rolling mill, which is typically a continuous (or tandem) mill having four to six roll stands, and which reduces the thickness of the hot-rolled material by 30-90 percent. The cold-rolling process hardens steel so that it usually must be heated in an annealing furnace to make it more formable.

<sup>24</sup> For particularly thick corrosion-resistant steel, hot-rolled steel is used as the primary input.

Table CORE-I-11

Corrosion-resistant steel: U.S. producers' and U.S. importers' channels of distribution, 2000-05, January-June 2005, and January-June 2006

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Share (percent)</b>								
Share of U.S. producers' shipments--								
To automotive end users	37.0	35.7	36.2	34.9	32.3	35.6	37.0	33.3
To construction end users	24.8	25.2	23.6	23.3	24.4	24.0	23.1	26.2
To other end users	8.4	8.0	9.7	10.3	8.4	9.4	10.1	9.2
To steel service centers and distributors	29.8	31.2	30.4	31.6	35.0	31.0	29.8	31.3
Share of U.S. importers' U.S. shipments--								
To automotive end users	28.1	22.9	33.4	52.6	36.8	42.4	40.0	40.8
To construction end users	23.1	18.8	21.8	16.9	23.7	31.3	38.0	31.7
To other end users	9.7	7.6	6.4	8.5	7.0	4.4	4.6	2.8
To steel service centers and distributors	39.1	50.8	38.4	22.0	32.6	21.9	17.4	24.7
Source: Compiled from data submitted in response to Commission questionnaires.								

## DOMESTIC LIKE PRODUCT ISSUES CONCERNING MICRO-ALLOY CORROSION-RESISTANT STEEL

In its original investigations on corrosion-resistant steel the Commission found a single domestic like product consisting of all corrosion-resistant steel (excluding clad plate). In the first reviews in 2000, the Commission did not include micro-alloy steel in the domestic like product.<sup>25</sup>

### Physical Characteristics and Uses

The HTSUS differentiates between three categories of steel: stainless steel, "other alloy steel" and "non-alloy steel." Steel that is not stainless steel but that contains one or more alloying elements in an amount that exceeds a specified limit is defined as "other alloy steel." Steel that is not stainless steel or

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<sup>25</sup> In the original investigations, the Commission did not consider the issue of whether to expand the domestic like product beyond carbon (non-alloy) steel. Although such an expansion was advocated belatedly by domestic producers in the first reviews, the Commission concluded that there was insufficient record evidence to support modification of the domestic like product. USITC Publication 3364, November 2000, pp. 6-7.

No party initially advocated expansion of the domestic like product to include micro-alloy steel in these second reviews. Nonetheless, the Commission has considered micro-alloy steel to be part of the domestic like product (consistent with Commerce's scope) in original investigations on plate, hot-rolled steel, and cold-rolled steel, and expanded the domestic like product to include micro-alloy steel in the 2003 five-year review *Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Invs. Nos. 731-TA-753-756 (Review)*. Accordingly, the Commission opted to collect data on micro-alloy steel. Data permitting evaluation of the resulting broader industries based on the inclusion of micro-alloy steel appear in appendix C of this report.

During the hearing, counsel for U.S. Steel and AK Steel stated that they supported the inclusion of micro-alloy in the domestic like product definition. Hearing transcript, p. 261 (Hecht). However, in its posthearing brief, Nucor agreed with the like product definition from the first reviews (i.e. micro-alloy not included in the definition of the domestic like product). Nucor's posthearing brief, answers to Commissioners' questions, p. 27. Mittal stated in its prehearing brief (p. 7) that it supported the like product definition used in the first review which did not include micro-alloy product.

other alloy steel is referred to as “non-alloy steel.”<sup>26</sup> The scope of these reviews includes only steel that is classified as “non-alloy” under the HTSUS, whereas a commonly used industry term “carbon steel” arguably includes some steel that must be classified under the HTSUS as alloy steel. In particular, the use of small amounts of such alloying elements as columbium, vanadium, and titanium to produce a class of steels known as high-strength, low-alloy (HSLA) steels is common, and these steel compositions are often considered within the industry to be carbon steel, regardless of whether the amounts of the alloying elements are sufficient to require that the steel be classified as alloy steel under the HTSUS definitions.<sup>27</sup> For purposes of these reviews, this report uses the term “micro-alloy” in a narrow sense to refer to steel that contains one or more alloying elements in an amount that falls within the range specified in the tabulation below, and none of the elements in a quantity greater than that indicated. The definition for micro-alloy used in these reviews was based on the requirements specified in the most recent five-year reviews covering CTL plate.<sup>28</sup>

As discussed above, the principal difference between non-alloy corrosion-resistant steel and micro-alloy corrosion-resistant steel is the level of alloying elements in the steel. Micro-alloy steel may have greater strength or toughness than non-alloy steel; however, the amounts of the micro-alloying elements in the micro-alloy steel are only slightly higher than may be present in non-alloy steel; therefore, major differences in mechanical properties should not be expected.

### **Interchangeability**

According to \*\*\*, “In most of the end-uses . . . carbon and micro-alloy corrosion resistant would be interchangeable unless the customer spec restricted certain alloys for improved formability.” According to \*\*\*, however, “The automotive companies design the parts based on the knowledge of how the steel will form. Dies are designed to stamp the parts based on how the steel will form, and these dies are usually “tuned” to the steel of the company that worked on the part from the Early Vendor Involvement (EVI) stage. As a result of this process, alloy and subject corrosion resistant steels cannot be interchanged one with the other.”

### **Channels of Distribution**

According to \*\*\*, “carbon and micro-alloy corrosion-resistant are sold in the same channels of distribution.” Seven U.S. importers likewise reported that carbon and micro-alloy corrosion-resistant steel are sold in the same channels of distribution. \*\*\* reported that virtually all such shipments were made to steel service centers/distributors.

### **Common Manufacturing Facilities, Employees, and Processes**

The manufacture of micro-alloy corrosion-resistant steel sheet utilizes the same manufacturing facilities, employees, and processes as the manufacture of carbon steel sheet. According to \*\*\*, “carbon and micro-alloy corrosion-resistant are made on the same equipment and with the same employees.” Nonetheless, only two U.S. producers of corrosion-resistant steel, Nucor and U.S. Steel, reported

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<sup>26</sup> The HTSUS does not mention “carbon steel”; rather, it provides a definition of “other alloy steel” as steel, other than stainless steel, containing more than a specified amount of at least one of several elements. Steel that is not stainless steel or other alloy steel is referred to as “non-alloy steel.” HTSUS, Chapter 72 Note 1(f).

<sup>27</sup> Lankford, William T., Jr., Ed., *The Making, Shaping and Treating of Steel*, Tenth Edition, p. 1313.

<sup>28</sup> *Cut-To-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Invs. Nos. 701-TA-388-391 and 731-TA-816-821 (Review)*, USITC Publication 3816, November 2005.

production of micro-alloy forms of the product, and both indicated that their production of micro-alloy corrosion-resistant steel was \*\*\*.<sup>29</sup>

### Producer and Consumer Perceptions

According to \*\*\*, “customers and producers see no differences in carbon and micro-alloy corrosion-resistant that is made for the same applications.” Six U.S. importers reported that micro-alloy is of a higher quality and preferred for certain end uses. Four U.S. purchasers said there is no interchangeability between micro-alloy corrosion-resistant steel and carbon corrosion-resistant steel.

### Price

According to \*\*\*, “the price of corrosion-resistant is based on the gauge range, coating weights and any extras whether the corrosion-resistant in question is carbon or micro-alloy.” Five U.S. importers and three U.S. purchasers reported that the price of micro-alloy corrosion-resistant steel is generally higher than carbon corrosion-resistant steel. The tabulation below presents the average unit value of U.S. producers' U.S. shipments of carbon corrosion-resistant steel and micro-alloy corrosion-resistant steel, based on questionnaire data.<sup>30</sup>

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
Unit value ( <i>per short ton</i> )								
Carbon corrosion-resistant steel	\$547	\$496	\$522	\$542	\$687	\$716	\$739	\$731
Micro-alloy corrosion-resistant steel	***	***	***	***	***	***	***	***

### U.S. MARKET PARTICIPANTS

#### U.S. Producers

Twenty-three U.S. producers of corrosion-resistant steel responded to the Commission’s questionnaire with usable data.<sup>31</sup> Based on \*\*\* data these mills account for approximately 94 percent of U.S. capacity in 2005. Table CORE-I-12 presents information on U.S. producers, their ownership, their geographic locations, toll agreements,<sup>32</sup> and share of production. Table CORE-I-13 presents information on U.S. producers’ positions on the existing orders.

<sup>29</sup> Nucor and U.S. Steel’s questionnaire responses, questions II-20 and II-21.

<sup>30</sup> \*\*\*.

<sup>31</sup> Double G also responded to the Commission’s questionnaire. \*\*\*.

<sup>32</sup> While some firms reported data for toll production, generally on behalf of U.S. mills, the quantity and value of such production were generally small and inconsistently reported. Therefore, these data are not presented separately in this section of the report. Toll production for \*\*\*, which provided complete and generally consistent data for its toll operations for companies other than U.S. mills, is presented in appendix C.

**Table CORE-I-12**

**Corrosion-resistant steel: U.S. producers, ownership, plant locations, toll agreements, and shares of U.S. production, 2005**

<b>Firm</b>	<b>Ownership</b>	<b>Plant location(s)</b>	<b>Toll agreement</b>	<b>Share of production (percent)</b>
AK	AK (OH) (100%)	Ashland, KY Middletown, OH Rockport, IN	***	***
AK-ISG Steel Coating Co. (formerly L-S Electro-Galvanizing Company)	AK Steel, Mittal Steel USA	Cleveland, OH	***	***
Apollo	Corus Group (UK) (100%)	Bethlehem, PA	***	***
Arrow	--	Wayne, NJ	***	***
Canfield	Handy & Harman (NY) (100%)	Canfield, OH	***	***
CSI	JFE Shoji (Japan) (50%) Rio Doce (Brazil) (50%)	Fontana, CA	***	***
CSN	CSN-SA (Brazil) (100%)	Terre Haute, IN	***	***
Double Eagle Steel Coating Co.	U.S. Steel, Severstal North America	Dearborn, MI	***	***
Double G Coatings	U.S. Steel (50%) Mittal Steel USA (50%)	Jackson, MS	***	***
Gregory Industries	--	Canton, OH	***	***
I/N Kote	Mittal Steel USA, Nippon Steel	New Carlisle, IN	***	***
Mittal	Mittal Steel Co. (Netherlands) (100%)	Burns Harbor, IN Cleveland, OH Columbus, OH Hennepin, IL Indiana Harbor, IN Lackawanna, NY Sparrows Point, MD Weirton, WV	***	***
National Galvanizing	Heidtman Steel (***) National Material (***)	Monroe, MI	***	***
Nucor	--	Armored, AR Berkeley County, SC Charlotte, NC Crawfordsville, IN	***	***
Pro-Tec	U.S. Steel (PA) (50%) Kobe Steel (Japan) (50%)	Leipsic, OH	***	***
SDI	--	Butler, IN	***	***
Severstal	Severstal (MI) (100%)	Dearborn, MI	***	***
Spartan Steel Coating	Severstal North America, Worthington	Monroe, MI	***	***
Steelscape	IMSA Acero (Mexico) (100%)	Kalama, WA Rancho Cucamonga, CA	***	***

Table continued on next page.



**Table CORE-I-12—Continued**

**Corrosion-resistant steel: U.S. producers, ownership, plant locations, toll agreements, and shares of U.S. production, 2005**

Firm	Ownership	Plant location(s)	Toll agreement	Share of production (percent)
The Techs	The Techs (100%)	Pittsburgh, PA Turtle Creek, PA	***	***
Thomas	Corus Group (UK) (100%)	Warren, OH	***	***
U.S. Steel	U.S. Steel (PA) (100%)	Ecorse, MI Granite City, IL Portage, IN Gary, IN Dravosburg, PA Fairfield, AL	***	***
USS-POSCO	Pitcal (PA) (50%), a direct wholly owned subsidiary of U.S. Steel (PA); POSCO-California (CA) (50%), an indirect wholly owned subsidiary of POSCO (Korea)	Pittsburg, CA	***	***
WCI	WCI (100%)	Warren, OH	***	***
Wheeling-Nisshin	Nisshin (Japan) (***%) WPS (WV) (***%)	Follansbee, WV	***	***
Winner	--	Sharon, PA	***	***
WPS	WPS (WV) (100%)	Martins Ferry, OH Wheeling, WV	***	***
Worthington	Worthington (OH) (100%)	Columbus, OH Delta, OH	***	***
Total				100.0
* * * * *				
Source: Compiled from data submitted in response to Commission questionnaires.				

**Table CORE-I-13**

**Corrosion-resistant steel: U.S. producers' positions on the orders**

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### U.S. Importers

For these reviews, the Commission sent importers' questionnaires to all U.S. producers as well as to 42 firms believed to be importing corrosion-resistant steel. The Commission received U.S. importer responses from 27 firms, all of which provided usable data, while 10 firms indicated they did not import corrosion-resistant steel. Based on official Commerce statistics, firms providing usable questionnaire responses accounted for 82 percent of subject imports in 2005. Three U.S. producers imported subject or nonsubject corrosion-resistant steel. Table CORE-I-14 presents information on U.S. importers' source of imports, U.S. headquarters, and parent company.

Table CORE I-14

CORE: U.S. importers, source of imports, U.S. headquarters, and parent company

Firm	Source of imports	Headquarters	Parent company
Arcelor	***	New York, NY	Arcelor S.A.
Apollo	***	Bethlehem, PA	Corus Group
Arrow	***	Wayne, NJ	Leonard Green & Partners
Coilplus	***	Philadelphia, PA	Metal One Holding America
Dofasco	***	Hamilton, Ontario	Arcelor
Dongbu	***	Torrance, CA	Dongbu USA
Dongkuk	***	Torrance, CA	Dongkuk Steel Mill ***, Union Steel ***, KISCO ***
Duferco	***	Matawan, NJ	Nina Finance
Hille & Mueller	***	Warren, OH	Corus Group
Honda	***	Marysville, OH	Honda Trading Corp. ***, American Honda Motor Co. ***
Hysco	***	Greenville, AL	Hyundai Hysco
Hyundai	***	Houston, TX	Hyundai Hysco
JFE	***	Long Beach, CA	JFE Shoji
MAN	***	Houston, TX	MAN Capital Corp.
Marubeni	***	New York, NY	MISI
Metal One	***	Rosemont, IL	Metal One Holdings America
Mitsui	***	New York, NY	Mitsui
Polychem	***	Mentor, OH	--
POSCO	***	Fort Lee, NJ	POSCO ***, POSCO Canada ***
Sorevco	***	Coteau-du-Lac, Quebec	Dofasco ***, Mittal Canada ***
Stelco	***	Hamilton, Ontario	--
Taylor	***	Lordstown, OH	Taylor Steel
TK Materials	***	Southfield, MI	ThyssenKrupp USA
TK Steel Services	***	Richburg, SC	ThyssenKrupp Materials
TK Steel NA	***	Detroit, MI	TKS AG
Totem	***	Portland, OR	--
U.S. Steel	***	Pittsburgh, PA	--
Source: Compiled from data submitted in response to Commission questionnaires.			

## U.S. Purchasers

In response to purchaser questionnaires issued by the Commission to 64 firms, 35 purchasers supplied usable data and six reported that they had not purchased the subject product during the period for which data were collected. U.S. purchasers, their headquarters, sources, and type of firm, are shown in table CORE-I-15.

**Table CORE-I-15**

**Corrosion-resistant steel: U.S. purchasers, their U.S. headquarters, their sources of purchases, and type of firm**

Company	Headquarters	Source of purchases	Type of firm
Allied Tube & Conduit <sup>1</sup>	Harvey, IL	***	***
Alpha Steel Sales, Inc.	La Habra, CA	***	***
Atlas Steel Products Co.	Twinsburg, OH	***	***
Block Steel Corp. <sup>2</sup>	Skokie, IL	***	***
Cooper Standard Automotive <sup>3</sup>	Auburn Hills, MI	***	***
Curtis Steel Company Ltd.	Houston, TX	***	***
Daimler Chrysler	Auburn Hills, MI	***	***
Delphi Corporation	Troy, MI	***	***
Dietrich Industries, Inc. <sup>4</sup>	Pittsburgh, PA	***	***
Drive Automotive Industries of America, Inc. <sup>5</sup>	Piedmont, SC	***	***
Ford Motor Company	Dearborn, MI	***	***
General Motors Corp.	Detroit, MI	***	***
Hanwha International Corp. <sup>6</sup>	Cranbury, NJ	***	***
Heidtman Steel Products, Inc. <sup>7</sup>	Toledo, OH	***	***
Honda of America Mfg. Inc. <sup>8</sup>	Marysville, OH	***	***
Hysco America Co. <sup>9</sup>	Greenville, AL	***	***
Hyundai Motor Manufacturing Alabama LLC <sup>10</sup>	Montgomery, AL	***	***
LG International America, Inc. <sup>11</sup>	Cerritos, CA	***	***
McElroy Metal	Bossier City, LA	***	***
Mitek Industries, Inc. <sup>12</sup>	Chesterfield, MO	***	***
Mitsubishi Motors North America, Inc. <sup>13</sup>	Normal, IL	***	***
Mitsui Steel, Inc. <sup>14</sup>	New York, NY	***	***
New United Motor Manufacturing, Inc. <sup>15</sup>	Fremont, CA	***	***
Nissan North America, Inc. <sup>16</sup>	Nashville, TN	***	***

Table continued on next page.

**Table CORE-I-15—Continued**

**Corrosion-resistant steel: U.S. purchasers, their U.S. headquarters, their sources of purchases, and type of firm**

Company	Headquarters	Source of purchases	Type of firm
Procon Metals, Inc.	Warren, OH	***	***
Rigid Building Systems	Houston, TX	***	***
Samsung America, Inc. <sup>17</sup>	Ridgefield Park, NJ	***	***
Taylor Steel, Inc. <sup>18</sup>	Lordstown, OH	***	***
Thomas & Betts Corp.	Memphis, TN	***	***
ThyssenKrupp Steel Services <sup>19</sup>	Richburg, SC	***	***
Toyota Motor North America, Inc. <sup>20</sup>	Washington, DC	***	***
United Steel Deck	South Plainfield, NJ	***	***
Viking Materials, Inc. <sup>21</sup>	Minneapolis, MN	***	***
Vulcan Steel, Inc.	Gardena, CA	***	***
Whirlpool Corp.	Benton Harbor, MI	***	***

<sup>1</sup> Owned by Tyco International.

<sup>2</sup> Owned by Block Industries.

<sup>3</sup> Owned by Cooper Standard Automotive.

<sup>4</sup> Owned by Worthington Industries, Inc.

<sup>5</sup> Owned by Cosma International of America, Inc.

<sup>6</sup> Owned by Hanwha Chemical Corp.

<sup>7</sup> Owned by Centaur Inc.

<sup>8</sup> Owned by American Honda Motor Co. Inc.

<sup>9</sup> Owned by Hyundai Hysco.

<sup>10</sup> Owned by Hyundai Motor America.

<sup>11</sup> Owned by LG International.

<sup>12</sup> Owned by Berkshire Hathaway, Inc.

<sup>13</sup> Owned by Mitsubishi Motors Corp.

<sup>14</sup> Owned by Mitsui & Co.

<sup>15</sup> Owned by General Motors Corp. and Toyota Motors Corp.

<sup>16</sup> Owned by Nissan Motor Co. Ltd.

<sup>17</sup> Owned by Samsung Corp.

<sup>18</sup> Owned by Taylor Steel, Inc. (Canada).

<sup>19</sup> Owned by ThyssenKrupp Materials N.A., Inc.

<sup>20</sup> Owned by Toyota Motor Corp.

<sup>21</sup> Owned by Reliance Steel & Aluminum.

Source: Compiled from data submitted in response to Commission questionnaires.

## APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table CORE-I-16 presents apparent U.S. consumption and table CORE-I-17 presents market shares.

**Table CORE-I-16**

**Corrosion-resistant steel: Apparent U.S. consumption, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
U.S. producers' U.S. shipments	20,317,353	18,927,836	20,517,801	20,030,450	21,807,155	20,065,664	9,999,264	11,159,578
Imports from--								
Australia	220	176	275	297	119	16	16	3
Canada	380,490	331,774	530,248	552,434	524,711	547,326	281,944	291,356
France	3,608	9,302	15,753	6,530	4,613	1,778	1,728	190
Germany	46,453	23,557	53,479	34,530	31,191	75,941	48,977	20,939
Japan	27,543	17,338	24,304	18,570	19,628	16,762	8,693	11,012
Korea	253,528	235,041	212,413	113,810	201,002	330,858	181,205	272,592
Subtotal	711,842	617,188	836,473	726,171	781,264	972,681	522,563	596,092
Nonsubject countries	919,625	933,033	1,325,751	936,741	2,424,153	1,647,998	932,153	1,372,961
Total imports	1,631,467	1,550,221	2,162,224	1,662,911	3,205,416	2,620,679	1,454,716	1,969,053
Apparent U.S. consumption	21,948,820	20,478,057	22,680,025	21,693,361	25,012,571	22,686,343	11,453,980	13,128,631
<b>Value (1,000 dollars)</b>								
U.S. producers' U.S. shipments	11,114,660	9,387,030	10,706,618	10,849,835	14,976,525	14,374,559	7,388,310	8,155,795
Imports from-- <sup>1</sup>								
Australia	216	228	260	262	123	22	22	4
Canada	208,645	173,957	292,684	331,067	341,546	398,538	207,943	221,845
France	1,543	3,944	8,601	3,848	3,268	1,949	1,745	379
Germany	28,221	13,955	30,585	20,312	17,999	48,634	31,540	14,718
Japan	23,072	15,273	30,092	20,206	19,464	19,054	9,959	13,684
Korea	140,605	123,305	122,919	77,195	156,934	285,156	157,308	206,273
Subtotal	402,301	330,662	485,142	452,890	539,333	753,352	408,519	456,903
Nonsubject countries	481,017	420,783	647,862	515,137	1,808,700	1,286,429	763,351	926,215
Total imports	883,318	751,445	1,133,004	968,027	2,348,033	2,039,782	1,171,870	1,383,118
Apparent U.S. consumption	11,997,978	10,138,475	11,839,622	11,817,862	17,324,558	16,414,341	8,560,180	9,538,913
<sup>1</sup> Import values are landed, duty paid.								
Source: Compiled from data submitted in response to Commission questionnaires, and official import statistics.								

Table CORE-I-17

Corrosion-resistant steel: U.S. market shares, 2000-05, January-June 2005, and January-June 2006

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Apparent U.S. consumption	21,948,820	20,478,057	22,680,025	21,693,361	25,012,571	22,686,343	11,453,980	13,128,631
<b>Value (1,000 dollars)</b>								
Apparent U.S. consumption	11,997,978	10,138,475	11,839,622	11,817,862	17,324,558	16,414,341	8,560,180	9,538,913
<b>Share of quantity (percent)</b>								
U.S. producers' U.S. shipments	92.6	92.4	90.5	92.3	87.2	88.4	87.3	85.0
Imports from--								
Australia	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Canada	1.7	1.6	2.3	2.5	2.1	2.4	2.5	2.2
France	( <sup>1</sup> )	( <sup>1</sup> )	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Germany	0.2	0.1	0.2	0.2	0.1	0.3	0.4	0.2
Japan	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Korea	1.2	1.1	0.9	0.5	0.8	1.5	1.6	2.1
Subtotal	3.2	3.0	3.7	3.3	3.1	4.3	4.6	4.5
Nonsubject countries	4.2	4.6	5.8	4.3	9.7	7.3	8.1	10.5
Total imports	7.4	7.6	9.5	7.7	12.8	11.6	12.7	15.0
<b>Share of value (percent)</b>								
U.S. producers' U.S. shipments	92.6	92.6	90.4	91.8	86.4	87.6	86.3	85.5
Imports from--								
Australia	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Canada	1.7	1.7	2.5	2.8	2.0	2.4	2.4	2.3
France	( <sup>1</sup> )	( <sup>1</sup> )	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Germany	0.2	0.1	0.3	0.2	0.1	0.3	0.4	0.2
Japan	0.2	0.2	0.3	0.2	0.1	0.1	0.1	0.1
Korea	1.2	1.2	1.0	0.7	0.9	1.7	1.8	2.2
Subtotal	3.4	3.3	4.1	3.8	3.1	4.6	4.8	4.8
Nonsubject countries	4.0	4.2	5.5	4.4	10.4	7.8	8.9	9.7
Total imports	7.4	7.4	9.6	8.2	13.6	12.4	13.7	14.5
<sup>1</sup> Less than 0.05 percent.								
Source: Compiled from data submitted in response to Commission questionnaires, and official Commerce import statistics.								

## PART CORE-II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

### U.S. MARKET CHARACTERISTICS

As discussed in Part CORE-I, corrosion-resistant steel is widely used in automotive applications, including those where the final product is visible or exposed to weather or other corroding agents. In addition to improved aesthetics and enhanced downstream forming operations, corrosion-resistant steel prolongs the useful life of end products. Corrosion-resistant steel, however, is not only used in the automotive industry but also in industrial applications and in the appliance and construction industries.

### U.S. CHANNELS OF DISTRIBUTION

U.S. producers and importers ship corrosion-resistant steel to automotive, construction, and other end users, as well as to distributors and service centers (*see* table CORE-II-1). U.S. producers shipped more than one-third of their corrosion-resistant steel to automotive end users, while shipping just under one-third to distributors during the review period. Just under one quarter of U.S. shipments were to construction end users, and smaller amounts went to other types of end users. Importers of corrosion-resistant steel from Canada shipped \*\*\* of their corrosion-resistant steel to automotive end users, while importers of corrosion-resistant steel from Germany and Japan shipped \*\*\* to automotive end users and other types of end users. Importers of corrosion-resistant steel from Korea, in contrast, shipped \*\*\* to construction end users and distributors.

**Table CORE-II-1**

**Corrosion-resistant steel: Channels of distribution for domestic product and imports<sup>1</sup> sold in the U.S. market (as a percent of total) by year and by source, 2000-05<sup>2</sup>**

Item	2000	2001	2002	2003	2004	2005
<b>Share of quantity (percent)</b>						
<b>Domestic industry:</b>						
Shipments to automotive end users	37.0	35.7	36.2	34.9	32.3	35.6
Shipments to construction end users	24.8	25.2	23.6	23.3	24.4	24.0
Shipments to other end users	8.4	8.0	9.7	10.3	8.4	9.4
Shipments to distributors/service centers	29.8	31.2	30.4	31.6	35.0	31.0
<b>Imports from Canada:</b>						
Shipments to automotive end users	***	***	***	***	***	***
Shipments to construction end users	***	***	***	***	***	***
Shipments to other end users	***	***	***	***	***	***
Shipments to distributors/service centers	***	***	***	***	***	***

Table continued on next page.

Table CORE-II-1--*Continued*

**Corrosion-resistant steel: Channels of distribution for domestic product and imports<sup>1</sup> sold in the U.S. market (as a percent of total) by year and by source, 2000-05<sup>2</sup>**

Item	2000	2001	2002	2003	2004	2005
<b>Share of quantity (percent)</b>						
<b>Imports from Germany:</b>						
Shipments to automotive end users	***	***	***	***	***	***
Shipments to construction end users	***	***	***	***	***	***
Shipments to other end users	***	***	***	***	***	***
Shipments to distributors/service centers	***	***	***	***	***	***
<b>Imports from Japan:</b>						
Shipments to automotive end users	***	***	***	***	***	***
Shipments to construction end users	***	***	***	***	***	***
Shipments to other end users	***	***	***	***	***	***
Shipments to distributors/service centers	***	***	***	***	***	***
<b>Imports from Korea:</b>						
Shipments to automotive end users	***	***	***	***	***	***
Shipments to construction end users	***	***	***	***	***	***
Shipments to other end users	***	***	***	***	***	***
Shipments to distributors/service centers	***	***	***	***	***	***
<sup>1</sup> No data were reported for imports from Australia or France. <sup>2</sup> In the original investigations, U.S. producers shipped 78.0 percent of their corrosion-resistant steel to end users and 22.0 percent to distributors, service centers, and processors. U.S. importers shipped 69.6 percent of their corrosion-resistant steel to end users and 30.4 percent to distributors, service centers, and processors. In the first review investigations, U.S. producers shipped 61.5 percent of their corrosion-resistant steel to end users and 38.5 percent to distributors. For information on imports of corrosion-resistant steel from the first review investigations, see supplemental memorandum INV-X-229, October 30, 2000.  Source: Compiled from data submitted in response to Commission questionnaires; <i>Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom</i> , Inv. Nos. AA1921-197, 701-TA-231, 319-320, 322, 325-328, 340, 342, 348-350, and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, 614-618 (Review), USITC Publication 3364 (November 2000); and <i>Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom</i> , Inv. Nos. 701-TA-319-332, 334, 336-342, 344, 347-353, and 731-TA-573-579, 581-592, 594-597, 599-609, 612-619 (Final), USITC Publication 2664 (August 1993).						

U.S. producers and importers, as a whole, reported nationwide sales, although many individual firms reported that their sales were concentrated in particular regions. Generally, producers and importers reported serving primarily the Midwest, Northeast, and Southeast regions, as well as the national market (*see* table CORE-II-2).<sup>1</sup>

<sup>1</sup> One producer reported sales to Hawaii, and three importers reported sales in the Gulf Coast region. Six of the nine importers that reported nationwide sales imported corrosion-resistant steel from subject countries.



**Table CORE-II-2**

**Corrosion-resistant steel: Geographic market areas in the United States served by domestic producers and importers of subject product<sup>1</sup>**

Region	Producers	Importers
Contiguous United States	7	9
Northeast	7	8
Midwest	10	9
Central Southwest	6	3
Southeast	7	11
Mountains	3	0
Pacific Coast	5	5

<sup>1</sup> In the first reviews, six U.S. producers reported selling corrosion-resistant steel nationwide; nine reported selling in the East/Midwest; and one reported selling in the West, while three importers reported selling nationwide; seven reported selling in the East/Midwest (with one reporting also selling to the Southwest and Gulf Coast); and one reported selling in the West. In the original investigations, the staff report did not discuss geographic market area data reported by U.S. producers and importers but official statistics showed that imports from the subject countries entered all four regions of the United States.

Note.—Eighteen producers and 26 importers responded to this question. Firms were not limited to the number of market areas that they could report.

Source: Compiled from data submitted in response to Commission questionnaires; *Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom*, Inv. Nos. AA1921-197, 701-TA-231, 319-320, 322, 325-328, 340, 342, 348-350, and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, 614-618 (Review), USITC Publication 3364 (November 2000); and *Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom*, Inv. Nos. 701-TA-319-332, 334, 336-342, 344, 347-353, and 731-TA-573-579, 581-592, 594-597, 599-609, 612-619 (Final), USITC Publication 2664 (August 1993).

Only one U.S. producer, \*\*\*, reported some sales of corrosion-resistant steel using the internet, generally less than 5 percent of sales. None of the 34 responding purchasers reported buying corrosion-resistant steel over the internet.

## SUPPLY AND DEMAND CONSIDERATIONS

### U.S. Supply

#### Domestic Production

Four importers reported that the U.S. safeguard action on steel, which included increased duties on corrosion-resistant steel from March 2002 until December 2003, affected the availability of corrosion-resistant steel in the U.S. market.<sup>2</sup> Other producers and importers reported that increased raw material, energy, and transportation costs, increased production and demand in China and India, and additional

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<sup>2</sup> Additional information on the U.S. safeguard action on certain steel products appears in the Overview of this report.

U.S. capacity have affected supply since 2000.<sup>3</sup> Twelve of the 17 responding producers and 7 of the 18 responding importers reported that they anticipate an increase in the availability of U.S.-produced corrosion-resistant steel in the U.S. market in the future. Most reported that there are expansions planned by Nucor, Mittal, and SeverCorr.<sup>4</sup> Five producers and 13 importers do not anticipate any change in availability, and three importers anticipate a decrease in availability of corrosion-resistant steel due to new auto plants and the availability and pricing of raw materials.

Purchasers were asked if there have been changes in any factors that affected the availability of corrosion-resistant steel in the U.S. market since 2000. Twenty-four of the 33 responding purchasers reported that there had been changes, such as raw material, energy, and transportation cost increases; a trend shift from electrogalvanized to hot-dipped galvanized steel,<sup>5</sup> the U.S. safeguard action, and consolidation of the U.S. industry. \*\*\* reported that events at individual mills, such as a fire at USS-POSCO in May 2001, an outage at LTV in December 2001, and an AK Steel lock-out in March 2006 all affected the availability of corrosion-resistant steel in the U.S. market. \*\*\* also reported that a blast furnace accident at CSN in Brazil in January 2006 affected the availability of slabs, which ultimately impacted the availability of corrosion-resistant steel.<sup>6</sup>

Purchasers also were asked if any suppliers refused, declined, or were unable to supply corrosion-resistant steel since 2000. Twenty-three of the 33 responding purchasers reported that there had been problems with supply, with most reporting that domestic mills had placed them on allocation, or controlled order entry, from early 2004 to early-to-mid 2005, with some reporting that shortages have continued into 2006.<sup>7</sup> Other purchasers reported that some foreign suppliers also have had tight supply situations during the review period.

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<sup>3</sup> \*\*\* reported that U.S. capacity has been increased at CSN Heartland, Columbus Coatings, SDI, Winner, U.S. Steel, and Mittal since 2000. It also reported that there have been coating line closures since 2000. \*\*\* producer questionnaire, response to question IV-B-18.

<sup>4</sup> Mittal opened a new processing line at its Cleveland plant that is designed to produce in excess of 700,000 tons of hot-dipped corrosion-resistant steel annually to meet demand from automakers and other customers. It is working to add galvannealing to the line to begin as early as the second quarter 2007. "Mittal Steel starts new galvanized sheet processing line in Cleveland," American Metal Market, April 27, 2006 found at [http://amm.com/2006-04-26\\_12-25-40.html](http://amm.com/2006-04-26_12-25-40.html), retrieved September 1, 2006. Nucor has announced it will construct a new sheet steel galvanizing facility at its Decatur, AL, plant with capacity to produce 500,000 tons per year of hot-dipped sheet and will be targeted toward the automotive market. "Nucor targets transplants with new galvanizing line," American Metal Market, June 14, 2006, found at [http://amm.com/2006-06-14\\_14-41-40.html](http://amm.com/2006-06-14_14-41-40.html), retrieved September 1, 2006.

<sup>5</sup> Zinc and energy costs, as well as technological improvements, have reportedly been factors in the switch from electrogalvanizing to hot-dipped galvanizing. "Tried, true, and tweaked, hot dip just keeps getting hotter and hotter," American Metal Market, August 18, 2006, found at [http://amm.com/2006-08-18\\_11-06-11.html](http://amm.com/2006-08-18_11-06-11.html), retrieved September 1, 2006. Nucor reported that electrogalvanizing is a more costly process and that the less costly hot-dipped galvanized steel can be used for many of the same applications. Hearing transcript, pp. 142 and 217 (DiMicco).

<sup>6</sup> CSN restarted its blast furnace in June 2006. "CSN resumes No. 3 furnace after five months," American Metal Market, June 27, 2006, found at [http://amm.com/2006-06-27\\_15-46-24.html](http://amm.com/2006-06-27_15-46-24.html), retrieved September 1, 2006.

<sup>7</sup> \*\*\* increased spot market purchases due to shortages from U.S. suppliers. \*\*\*. Auto producers reported that there have been shortages on committed tons of corrosion-resistant steel and for additional tons at contract prices. Hearing transcript, p. 437 (Kelly) and p. 440 (King). Witness testimony suggested very different conditions through late 2003, when U.S. producers considered any incremental increase in volume from "premier accounts" such as the auto producers "a win." Hearing transcript, p. 442 (Cover).

Eleven of the 17 responding producers and 8 of the 26 responding importers reported having refused, declined, or been unable to supply corrosion-resistant steel since 2000.<sup>8</sup> Some producers reported placing customers on general allocation or controlled order entry, while others reported that they reserved space for long-term customers or did not pursue new customers.<sup>9</sup> Two producers reported being unable to make timely shipments. Importers also reported being unable to make timely shipments and placing customers on allocation. These problems generally occurred in 2004 through early 2005, with eight producers and four importers reporting that there are continuing supply restrictions in 2006.

Producers and importers reported that, generally, there have been no significant changes in the product range, product mix, or marketing of corrosion-resistant steel since 2000. However, \*\*\* reported that there has been increased demand for light-gauge material, and also that there has been a switch in preferences from electrogalvanized to hot-dipped galvanized steel. Two importers reported that there has been an increase in sales of aluminum-zinc alloy corrosion-resistant steel, in part due to the recent price increases of zinc. \*\*\* reported an increase in high-strength and ultra-high-strength corrosion-resistant steel for use in autos. Three producers and six importers reported anticipating changes in the future, including more high-strength, bake-hardenable, and dent-resistant corrosion-resistant steel; more hot-dipped galvanized products at the expense of electrogalvanized products; and continued merger activity in the U.S. industry. \*\*\* reported that SDI is converting a coating line that only produced galvanized steel to one that will be able to produce both galvanized and galvalume products.

Purchasers were asked to identify and discuss any improvements/changes in the U.S. corrosion-resistant steel industry since 2000 and any improvements/changes that they anticipate in the future, and 11 purchasers responded. \*\*\* reported that U.S. mills have gained competitiveness through bankruptcies and consolidation and that China has played a significant role in terms of causing a shortage in raw materials and increased production capacity. \*\*\* reported that consolidation of the industry has produced fewer and smaller companies. \*\*\* reported that consolidation in the U.S. industry has resulted in tightening of supply of corrosion-resistant steel and that the growth of the industry in China and India, along with increased prices for raw materials, has caused surcharges to be implemented and further reductions in supply.<sup>10</sup> \*\*\* reported that industry consolidation has resulted in improved financial performance of U.S. producers and that new market entrants, specifically SeverCorr and Nucor, are planning significant investments in the United States. \*\*\* reported expecting additional capacity to bring prices down but that prices are still high. \*\*\* reported that it has limited knowledge of the U.S. market, but that there have been no improvements or changes due to legacy costs and insufficient re-investment in U.S. facilities, thus causing a decline in competitiveness. \*\*\* reported that galvaneal suppliers have improved so that there has been a reduced and more consistent surface friction and better formability and that galvaneal coating lines have added prephosphatability to the lines.<sup>11</sup> \*\*\* reported that U.S. producers of \*\*\* have not added capacity to support the growth in demand and that the U.S. has

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<sup>8</sup> With the exception of the results of the world-wide raw material shortage situation in 2004, U.S. producers who appeared at the hearing denied allegations of a supply shortage. Hearing transcript, p. 136 (Goodish), p. 144 (DiMicco), and pp. 151-152 (Gant). U.S. Steel reported that auto producers have sought additional tons, or more than what was stipulated in their contracts, at the contract price when the contract price was below the market price and were denied these additional tons. U.S. Steel's posthearing brief, pp. 5-7.

<sup>9</sup> A hydrogen plant shut down in New Orleans as a result of Hurricane Katrina may have caused some short-term supply disruptions. Hearing transcript, p. 189 (DiMicco). In addition, \*\*\*.

<sup>10</sup> \*\*\* also reported that the lockout at AK Steel and the planned closure of Severstal's hot-dipped galvanizing line in October 2006 have created conditions supporting high prices for corrosion-resistant steel.

<sup>11</sup> In addition, \*\*\* reported that since 2000, galvaneal has higher strength, stretch flange, and dual-phase grades and that it expects continued improvements in the future.

experienced a constrained supply situation.<sup>12</sup> \*\*\* reported that U.S. mills have been developing more high-strength products and that it expects more high-strength and hot-dipped products to come from U.S. suppliers.<sup>13</sup> \*\*\* reported that relative to other countries, the improvements in U.S. capacity and quality have been minimal and that in the future, it expects an obsolescence of coating lines capable of supplying future grades for automotive applications. \*\*\* reported expecting increased galvanized capacity.

Based on available information, U.S. producers are likely to respond to changes in demand with small to moderate changes in the quantity of shipments of U.S.-produced corrosion-resistant steel to the U.S. market. The main contributing factors to the low to moderate degree of responsiveness of supply are moderate levels of capacity utilization, few export shipments, moderate levels of inventories, and few production alternatives.

### ***Industry capacity***

U.S. producers reported some excess capacity throughout the period for which data were collected in these reviews. U.S. producers' capacity utilization for corrosion-resistant steel decreased irregularly from 80.6 percent in 2000 to 79.5 percent in 2005 and was higher in January-June 2006, at 85.0 percent, than it was in January-June 2005 (*see* table CORE-III-2).

### ***Alternative markets***

U.S. producers' export shipments, as a percent of total shipments, increased from 3.6 percent in 2000 to 4.1 percent in 2005 (*see* table CORE-III-5). This relatively low level of exports during the period indicates that domestic producers may be somewhat constrained in their ability to shift shipments between the United States and other markets in response to price changes. Indeed, all 16 of the responding producers reported that they are unable or limited in their ability to shift sales of corrosion-resistant steel between the U.S. market and alternative country markets. Some producers reported that transportation costs and exchange rates make it difficult to shift sales to other markets, while others reported that export packaging and customs documentation are deterrents to shifting sales.<sup>14</sup> Five responding producers reported that U.S. exports of corrosion-resistant steel are subject to tariff or non-tariff barriers in other countries, including a goods-and-services import duty in Canada; unfavorable exchange rates; and foreign government subsidies.

### ***Inventory levels***

U.S. producers' inventories, as a share of total shipments, fell from 9.9 percent in 2000 to 8.1 percent in 2005 and were lower in January-June 2006 (at 6.6 percent of total shipments) than at any time during the review period (*see* table CORE-III-6).

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<sup>12</sup> In addition, \*\*\* reported that it expects continued growth in end-use markets and that without additional sources of supply, proliferation of products that use the material will be limited and production may eventually be moved outside of the United States.

<sup>13</sup> \*\*\* also reported that there are several grade and width combinations that are not domestically available and will not be in the future due to the costs associated with upgrading existing equipment in the United States.

<sup>14</sup> \*\*\* reported that there are opportunities to shift sales to the EU but that \*\*\*. \*\*\* reported that its production facilities are set only for U.S. standards.

### ***Production alternatives***

Only 4 of 21 responding producers reported that they produce other products, such as hot- and cold-rolled sheet, aluminized stainless, and alloys, on the same equipment and machinery used in the production of corrosion-resistant steel.<sup>15</sup> No producer reported that it is able to switch production to other products in response to relative price changes.<sup>16</sup>

### **Subject Imports**

The sensitivity of supply of subject imported corrosion-resistant steel to changes in price depends upon such factors as the existence of excess capacity, the levels of inventories, and the existence of export markets. Relevant information for all six of the subject countries follows.

#### ***Australia***

Based on available information, the Australian producer BlueScope is likely to respond to changes in demand with small to moderate changes in the quantity of shipments of corrosion-resistant steel to the U.S. market.<sup>17</sup> The main contributing factors to the low to moderate degree of responsiveness of supply are the existence of alternate markets, moderate levels of inventories, and high capacity utilization. Australian export shipments, as a share of total shipments, decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005 but were higher in January-June 2006 (\*\*\* percent) than during the same period in 2005 (\*\*\* percent) (*see* table CORE-IV-12). Australian inventories, as a share of total shipments, increased irregularly from \*\*\* percent in 2000 to \*\*\* percent in 2005. The Australian producer's capacity utilization for corrosion-resistant steel decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005 but was at its highest level during the review period in January to June 2006 at \*\*\* percent. BlueScope reported that \*\*\*.

#### ***Canada***

Based on available information, Canadian producers are likely to respond to changes in demand with small to moderate changes in the quantity of shipments of corrosion-resistant steel to the U.S. market.<sup>18</sup> The main contributing factors to the low to moderate degree of responsiveness of supply are the existence of alternate markets, moderate levels of inventories, and high capacity utilization. Canadian producers' export shipments, as a share of total shipments, increased from \*\*\* percent in 2000 to \*\*\* percent in 2005 (*see* table CORE-IV-20). Canadian producers' inventories, as a share of total shipments, decreased irregularly from \*\*\* percent in 2000 to \*\*\* percent in 2005. Canadian producers' capacity utilization for corrosion-resistant steel decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Reported capacity utilization was \*\*\* percent in January-June 2006, up from \*\*\* percent during the same period in 2005. One Canadian producer reported that \*\*\*.

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<sup>15</sup> According to domestic interested parties, the U.S. price of corrosion-resistant steel is higher than the prices of both cold-rolled and hot-rolled steel, thus providing incentive to shift production to sell more corrosion-resistant steel. Domestic producers' response to the notice of institution, p. 33.

<sup>16</sup> Seven foreign producers reported producing alloys and micro-alloys using the same equipment as corrosion-resistant steel, but only two reported that they were able to switch in response to a relative price change.

<sup>17</sup> BlueScope reported that \*\*\*. It also reported that \*\*\*.

<sup>18</sup> One Canadian producer reported that \*\*\*, while another reported that \*\*\*. Both reported that \*\*\*. Canadian producers reported that \*\*\*.

## ***France***

Based on available information, French producers are likely to respond to changes in demand with small to moderate changes in the quantity of shipments of corrosion-resistant steel to the U.S. market.<sup>19</sup> The main contributing factors to the small to moderate degree of responsiveness of supply are the existence of alternate markets, low levels of inventories, and high capacity utilization. French producers' export shipments, as a share of total shipments, decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005 (*see* table CORE-IV-29). French producers' inventories, as a share of total shipments, were reported to be \*\*\* percent throughout the period.<sup>20</sup> French producers' capacity utilization for corrosion-resistant steel decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Reported capacity utilization was \*\*\* percent in January-June 2006, up from \*\*\* percent during the same period in 2005. French producers reported that \*\*\*.

## ***Germany***

Based on available information, German producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of corrosion-resistant steel to the U.S. market.<sup>21</sup> The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets, moderate levels of inventories, and high capacity utilization. German producers' export shipments, as a share of total shipments, increased from \*\*\* percent in 2000 to \*\*\* percent in 2005, with most exports going to other national markets in the EU (*see* table CORE-IV-38). German producers' inventories, as a share of total shipments, decreased irregularly from \*\*\* percent in 2000 to \*\*\* percent in 2005. German producers' capacity utilization for corrosion-resistant steel decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Reported capacity utilization was \*\*\* percent in January-June 2006, up from \*\*\* percent during the same period in 2005. Two German producers reported that \*\*\*.

## ***Japan***

Based on available information, Japanese producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of corrosion-resistant steel to the U.S. market.<sup>22</sup> The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets, low levels of inventories, few production alternatives, and high capacity utilization. Japanese producers' export shipments, as a share of total shipments, increased from \*\*\* percent in 2000 to \*\*\* percent in 2005 (*see* table CORE-IV-47). Japanese producers' inventories, as a share of total shipments, decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Japanese producers' capacity utilization for corrosion-resistant steel increased from \*\*\* percent in 2000 to \*\*\* percent in 2005. Reported capacity utilization was \*\*\* percent in January-June 2006, down from \*\*\* percent during the same period in 2005. Japanese producers reported that \*\*\*.

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<sup>19</sup> French producers reported that \*\*\*.

<sup>20</sup> Duferco reported that inventory levels in the European market were lower in 2005 than in 2004 due to strong demand. Duferco's response to the notice of institution, p. 4.

<sup>21</sup> German producers reported that \*\*\*.

<sup>22</sup> Two Japanese producers reported that \*\*\*. Japanese producers reported that a number of factors have affected supply, including the Japanese economic recovery, surging demand for corrosion-resistant steel in Asia, and increased demand from auto and appliance manufacturers in Japan and other Asian countries. Only one Japanese producer reported that \*\*\*.

## **Korea**

Based on available information, Korean producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of corrosion-resistant steel to the U.S. market.<sup>23</sup> The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets, moderate levels of inventories, and some unused capacity. Korean producers' export shipments, as a share of total shipments, increased from 32.6 percent in 2000 to 33.6 percent in 2005 (*see* table CORE-IV-56). Korean producers' inventories, as a share of total shipments, increased from 3.3 percent in 2000 to 4.6 percent in 2005. Korean producers' capacity utilization for corrosion-resistant steel decreased irregularly from 88.1 percent in 2000 to 87.0 percent in 2005. Reported capacity utilization was 86.0 percent in January-June 2006, down from 87.6 percent during the same period in 2005. None of the Korean producers reported that \*\*\*.

## **Nonsubject Imports**

Imports from nonsubject countries increased from 2000 to 2005 (*see* table CORE-IV-1). Thirteen of the 16 responding producers and 6 of the 23 responding importers reported that the availability of nonsubject corrosion-resistant steel has changed since 2000. Most reported increased imports from countries such as China, India, Brazil, and Taiwan. \*\*\* reported that other countries have switched to lighter gauge galvanized products and increased volumes sold in the United States, \*\*\* reported that a company in the United Kingdom ceased production in 2006, and \*\*\* reported that CSN in Brazil significantly curtailed exports to the United States in the first half of 2006 due to a blast furnace outage.

## **U.S. Demand**

### **Demand Characteristics**

Apparent U.S. consumption of corrosion-resistant steel showed some fluctuations from 2000 through 2005, but was higher in 2005, at 22.7 million short tons, than in 2000, at 21.9 million short tons. Nine producers, 20 importers, and 26 purchasers reported that demand increased since 2000, while 3 producers, 3 importers, and 5 purchasers reported that demand has been unchanged. Of those reporting that demand increased, factors cited included the improved economy, increased global consumption, increased non-residential construction activities and auto production, rebuilding activities from the hurricanes of 2005, changes in building codes, foreign auto companies opening plants in the United States, and the housing boom.

Three producers and one purchaser reported that demand has fluctuated, with both increases and decreases during the review period. When asked if they anticipate future changes in corrosion-resistant steel demand in the United States and the rest of the world,<sup>24</sup> 12 producers,<sup>25</sup> 13 importers, and 16

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<sup>23</sup> Three Korean producers reported that \*\*\*, and two Korean producers reported that \*\*\*. \*\*\*. Only one Korean producer reported that \*\*\*. Four of the seven responding Korean producers reported that corrosion-resistant steel is not interchangeable due to such factors as differences in width and thickness and tighter control of specifications by some U.S. customers.

<sup>24</sup> There is some evidence that activity in the residential housing sector has slowed in 2006, which may affect demand for appliances and HVAC products. "Housing construction plunges in October," *The Washington Post*, November 17, 2006, found at <http://www.washingtonpost.com/wp-dyn/content/article/2006/11/17/AR2006111700396.html>, retrieved November 20, 2006. The nonresidential construction market is expected to remain strong through the end of 2006 and into 2007. "Nonresidential Construction Market in 2007 to Match This Year's Strong Performance," Kermit Baker, (continued...)

purchasers responded yes, and many explained that China, India, and other developing countries will continue to be a factor in demand growth as well as increased demand for vehicles and for longer-lasting vehicles.<sup>26</sup> Some producers reported expecting continued demand growth but at a slower rate.<sup>27</sup> Two purchasers reported that the E85 ethanol requirements (85 percent ethanol blended with 15 percent gasoline designed for use in flexible-fuel vehicles)<sup>28</sup> in the U.S. market will increase the demand for corrosion-resistant steel for fuel lines. \*\*\* reported that automotive and other product sectors have cut back in the fourth quarter of 2006 but that large inventories at service centers should carry over until 2007.

The overall demand for corrosion-resistant steel primarily depends upon the demand for a variety of end-use applications (*see* table CORE-II-3). Producers, importers, and purchasers were asked to list the end uses of corrosion-resistant steel. The most commonly reported uses were for motor vehicle parts (body as well as fuel and brake lines), home appliances, HVAC components, metal decking, steel studs and posts, battery cans and components, and parts of metal buildings.<sup>29</sup>

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<sup>24</sup> (...continued)

Chief Economist of the American Institute of Architects, found at [http://www.aia.org/aiaarchitect/thisweek06/0630/0630econ\\_consensus.cfm](http://www.aia.org/aiaarchitect/thisweek06/0630/0630econ_consensus.cfm), retrieved October 30, 2006. North American auto production is expected to rebound in 2007 after hitting a trough in the 4<sup>th</sup> quarter of 2006 but is expected to be below historically high levels until the latter part of 2007. "Ward's AutoForecasts Sees North American Output Rebounding after Q4 Slide" in U.S. Steel's prehearing brief, exhibit 37. Longer-term data from the Automotive Market Research Council show that light vehicle production in North America is forecast to increase at approximately 1.1 percent per year from 2005 to 2010. Japanese respondent interested parties' prehearing brief, 2006 articles, exhibit 9, p. 6. In addition, U.S. light vehicle production data from CSM Worldwide show a decrease from 2005 to 2006, an increase from 2006 to 2007, a decrease from 2007 to 2008, and increases in 2009 and 2010. Auto producers' posthearing brief, exhibit 3. North American heavy truck production, however, is projected to decline in 2007. Global Auto Report, Scotia Economics, October 30, 2006, found at [http://www.scotiacapital.com/English/bns\\_econ/bns\\_auto.pdf](http://www.scotiacapital.com/English/bns_econ/bns_auto.pdf), retrieved November 20, 2006.

<sup>25</sup> U.S. mills expected demand for corrosion-resistant steel to remain strong through the end of 2006, but some buyers questioned whether demand would be as strong as predicted. "Flat-rolled demand seen holding firm to year-end," American Metal Market, July 4, 2006, found at [http://amm.com/2006-07-03\\_17-44-39.html](http://amm.com/2006-07-03_17-44-39.html), retrieved September 1, 2006.

<sup>26</sup> \*\*\* reported that forecasts for automobile production predict growth of 2 to 3 percent annually in the United States and Germany between 2005 and 2010, with growth in developing regions at higher rates. \*\*\* producer questionnaire, response to question III-22 and appendix III-21(b) and German respondent interested parties' posthearing brief, responses to Commissioners' questions, p. 20 and exhibit 10. \*\*\* reported that alkaline battery production will increase the demand for corrosion-resistant steel by 3 to 6 percent annually and that auto production (fuel lines) will increase the demand by 10 percent annually.

<sup>27</sup> \*\*\* reported that the corrosion-resistant steel market is due to slow in the near future, resulting from a slowdown in new home construction and shifts from SUVs to smaller, more fuel-efficient cars. It also reported that the growth of foreign automakers will continue to lead to reductions in domestic steel content in autos. \*\*\* producer questionnaire, response to question IV-B-27. However, the automotive producers reported that they do not expect the amount of corrosion-resistant steel consumed to produce the average vehicle in the United States to decrease. Auto producers' posthearing brief, appendix, pp. 12 and 19-23.

<sup>28</sup> U.S. Department of Energy's E85 Fleet Toolkit, found at <http://www.eere.energy.gov/afdc/e85toolkit/>, retrieved August 22, 2006.

<sup>29</sup> Purchasers who distribute or resell corrosion-resistant steel listed stampers; fabricators; auto parts suppliers; and manufacturers of cookware, HVAC parts, building panels, steel doors, batteries, and bearings as consumers of their corrosion-resistant steel. Like other auto manufacturers, \*\*\* reported purchasing corrosion-resistant steel and reselling it to independent stampers of body panels and steel components. It also reported that this practice absorbs the price risk of purchasing corrosion-resistant steel and that it is considering restructuring this practice because of

(continued...)



Table CORE-II-3

Corrosion-resistant steel: Shipments by market, 2005<sup>1</sup>

Market	Hot-dipped galvanized	Electro- galvanized	Combined
	Share of quantity ( <i>percent</i> )		
Automotive	40.0	91.2	47.6
Steel service centers and distributors <sup>2</sup>	29.2	6.5	25.8
Construction	21.8	1.2	18.8
Appliance, utensils, and cutlery	4.2	--	3.6
Agricultural and electrical equipment	1.7	--	1.4
Steel for converting and processing	1.3	1.0	1.3
Containers, packaging, and shipping material	0.8	--	0.7
Other domestic and commercial equipment	0.6	--	0.5
Other	0.5	0.1	0.3
<sup>1</sup> Data are for calendar year 2005 and include only classified shipments as reported by AISI reporting companies. Data include only hot-dipped galvanized and electrolytic galvanized steel. <sup>2</sup> Data are not available from AISI on the end-use markets of shipments from service centers and distributors.  Source: American Iron & Steel Institute, 16C Report, Shipments of Steel Products by Market Classification, Carbon Steel, Report AIS 16C, 2005.			

When asked if there had been any changes in the end uses of corrosion-resistant steel since 2000, two importers and seven purchasers reported that corrosion-resistant steel is now used for such things as steel studs and metal doors, as a replacement for cold-rolled steel, for automobile heat shields and roof panels, and is increasingly used for exposed auto body parts.<sup>30</sup> \*\*\* reported that there has been increased use of corrosion-resistant steel as an alternative to higher priced alloys, and \*\*\* reported that there has been a switch to plastic.

Seventeen of the 19 responding purchasers who are end users reported that the demand for their firms' final products that use corrosion-resistant steel changed since 2000, with most citing increases in demand for these final products. In identifying the major factors that contributed to the demand changes, purchasers reported that factors included a growing U.S. economy, increased housing starts, increased auto production, the introduction of new products, and new facilities.

Twenty-three purchasers reported that the specifications of corrosion-resistant steel vary depending on the end-use application, citing differences in coatings and coating weight, thickness, width, forming capabilities, and chemical treatment. \*\*\* reported that some exposed and unexposed automotive parts require an alloy steel; \*\*\* reported that some applications need a light-gauge material and that the auto industry has strict gauge requirements; \*\*\* reported that some specifications are based on formability and strength or dent resistance; and \*\*\* reported that U.S. producers cannot produce "440E" grades.

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<sup>29</sup> (...continued)  
increased steel costs.

<sup>30</sup> \*\*\* reported that since 2003, it has specified prephose steel for use in vehicles and explained that prephose is a new type of corrosion-resistant steel that includes an oil coating for lubrication when making difficult-to-form stamped parts.

The majority of producers reported that the corrosion-resistant steel market is subject to business cycles or conditions of competition distinctive to corrosion-resistant steel, but the majority of importers reported that it is not subject to business cycles or distinct conditions of competition. Most producers and some importers reported that the corrosion-resistant steel market follows conditions in the auto and construction industries. One producer and five importers reported that the emergence of new markets has affected the business cycle or conditions of competition distinctive to corrosion-resistant steel.

When asked if the corrosion-resistant steel market is subject to business cycles or conditions of competition distinctive to corrosion-resistant steel, 20 of the 31 responding purchasers reported that it is not. Of those who reported that the market is subject to business cycles or distinct conditions of competition, most reported that demand fluctuates with demand in end-use markets and based on weather conditions and raw material and energy pricing. Eleven purchasers reported that the emergence of new markets for corrosion-resistant steel since 2000 has affected the business cycle or conditions of competition distinctive to corrosion-resistant steel, with most citing growth in China, India, and other emerging markets as well as new auto plants as causes.

Purchasers were asked whether their purchasing patterns for corrosion-resistant steel from domestic, subject, and nonsubject sources had changed since the orders under review became effective. Eight purchasers reported that there has been little change in their purchasing patterns; one reported increased U.S. purchases and one reported decreased U.S. purchases; one reported discontinuing its purchases from Japan and one reported increased purchases from Japan due to a joint venture and disruption in supply from U.S. sources; and two purchasers reported increased purchases from Germany. Twenty-one purchasers reported purchasing corrosion-resistant steel from one or more of the subject countries before the orders became effective; seven reported that their pattern of purchasing is essentially unchanged, seven reported that they reduced or discontinued their purchases from subject countries because of the orders; and seven reported that they changed their pattern of purchasing for other reasons, including price and availability. Fourteen purchasers reported that they did not purchase from nonsubject sources before or after the order; 11 reported that their purchasing pattern from nonsubject sources was essentially unchanged since the orders became effective; five increased their purchases from nonsubject countries because of the orders; and three changed their purchasing pattern for reasons other than the orders.<sup>31</sup>

## **Substitute Products**

While there are reported substitutes for corrosion-resistant steel, the potential for substitution is often limited by the end use, as well as factors such as formability, strength, and price. Plastics, wood, aluminum, cement, stainless steel, cold-rolled steel, low-carbon steel, and composites were listed as substitutes for corrosion-resistant steel in certain applications, and most purchasers reported that the prices of these possible substitute products had either stayed the same or increased relative to the price of corrosion-resistant steel. One producer, three importers, and seven purchasers reported that there are no substitutes for corrosion-resistant steel. Two producers reported that there are now larger quantities of substitute products available, and four importers reported that plastics and wood are now more acceptable substitutes for corrosion-resistant steel. None of the responding purchasers reported that there have been any changes in the number or type of products that can be substituted for corrosion-resistant steel. Two producers and four importers reported that they expect changes in the substitutability of other products, namely potential increased use of aluminum and plastic. Two purchasers reported that they expect changes in the type of substitutes in the future, with one reporting that steel frame construction may lose market share to concrete.

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<sup>31</sup> \*\*\* reported that availability of corrosion-resistant steel in the U.S. market did not meet its growing demand and that the U.S. industry does not have the capacity to satisfy domestic consumption levels.

## **Cost Share**

Corrosion-resistant steel often accounts for a relatively large percentage of the total cost of end-use products, although the cost share does vary widely, depending on the end use. Purchasers reported that corrosion-resistant steel accounts for between less than 2 percent and 100 percent of the total cost of the end products in which corrosion-resistant steel is used. In automobiles and light trucks, corrosion-resistant steel reportedly represents 1.4 to 5 percent of the total cost of the end product, whereas in individual vehicle parts, corrosion-resistant steel represents 50 to 85 percent. According to purchasers, corrosion-resistant steel represents 100 percent of the total cost of metal studs, 80 percent of the total cost of steel decks, 70 percent of the total cost of metal roof and wall cladding, 13 percent of the total cost of industrial and commercial heating products, and 4 to 7 percent of the total cost of home appliances. Producers and importers reported that corrosion-resistant steel accounts for between 40 and 80 percent of the cost of metal building components, 40 to 50 percent of the total cost of battery cans and components, and 60 percent of the total cost of HVAC components.

## **Demand Outside the United States**

Producers, importers, and purchasers also were asked how demand for corrosion-resistant steel outside the United States has changed since 2000. Ten producers, 19 importers, and 24 purchasers reported that demand outside the United States increased, citing factors such as rapidly increasing demand in China and other industrializing countries in Asia, Latin America, and Eastern Europe; global economic growth; and increased auto production and construction activity worldwide.<sup>32</sup>

Two producers, two importers, and four purchasers reported that demand outside the United States was unchanged. One purchaser reported that demand outside the United States decreased, citing that other countries have accepted lower corrosion standards.

## **SUBSTITUTABILITY ISSUES**

The degree of substitution between domestic and imported products depends upon such factors as relative prices, quality, and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there may be some differences between domestic and imported corrosion-resistant steel, but overall, there is a moderate to high degree of substitution between corrosion-resistant steel produced in the United States and the subject countries and other import sources.

This section is based primarily on the responses of 35 purchasers<sup>33</sup> that accounted for approximately 64.9 percent of total consumption in 2005. Fourteen purchasers described themselves as

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<sup>32</sup> The auto producers reported that there will be a significant increase in global vehicle production, according to \*\*\*, driven by developing countries such as China, India, and Brazil. Auto producers' posthearing brief, appendix, pp. 12-13 and exhibit 3. Dofasco reported that Canadian auto production will increase through 2008 and that its shipments to the Canadian non-residential construction industry are expected to increase. Canadian respondent interested parties' posthearing brief, pp. 8-9 and prehearing brief, pp. 24-28.

<sup>33</sup> \*\*\*.

distributors,<sup>34</sup> 13 as automotive end users,<sup>35</sup> and 8 as other end users.<sup>36</sup> These purchasers tended to purchase primarily from U.S., Canadian,<sup>37</sup> German, Korean, and nonsubject sources, with none reporting purchases from Australia (*see* table CORE-II-4).

**Table CORE-II-4**

**Corrosion-resistant steel: Purchased quantities in short tons, by country and by year, 2000-05 and January-June 2006**

Country	2000	2001	2002	2003	2004	2005	Jan.-June 2006
United States	7,467,655	7,552,907	8,174,447	8,604,537	9,059,330	13,770,041	6,363,431
Canada	***	***	***	***	***	***	***
France	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***
Nonsubject	51,085	33,021	68,668	89,938	196,864	125,550	125,900
Note.--Not all purchasers reported data for each year.							
Source: Compiled from data submitted in response to Commission questionnaires.							

Ten purchasers reported buying pre-painted corrosion-resistant steel, with three reporting that it represented less than 5 percent of their total purchases of corrosion-resistant steel in 2005. Two purchasers reported that pre-painted materials represented 13 to 25 percent of their total purchases, and three firms reported that pre-painted materials represented 57 percent or more of their total purchases. Two purchasers did not give an estimate of the percent of total purchases represented by pre-painted materials.

When asked if imported and domestically produced corrosion-resistant steel are used in the same applications, 29 purchasers reported that they are generally used in the same applications, as long as the corrosion-resistant steel conforms to the purchaser's specifications or if the supplier has been approved.

Purchasers of corrosion-resistant steel tend to buy frequently, and many have changed suppliers since 2000. Nineteen of the 33 responding purchasers reported that they purchase daily<sup>38</sup> or weekly, with nine purchasing monthly and two on an as-needed basis. Two purchasers reported that they purchase quarterly, and one reported purchasing annually. Only one purchaser reported that it expects this

<sup>34</sup> Purchasers who described themselves as distributors reported selling corrosion-resistant steel to metal building manufacturers, OEMs, stampers and fabricators, and firms in the construction and automotive industries.

<sup>35</sup> Some of the auto companies also described themselves as resellers to their suppliers and stampers.

<sup>36</sup> Purchasers who described themselves as other end users reported that they use corrosion-resistant steel to manufacture such items as steel buildings, steel decks, household appliances, sign posts, and industrial and commercial HVAC parts.

<sup>37</sup> Dofasco reported that increased exports of corrosion-resistant steel to the United States are, in part, due to auto companies moving the manufacturing of some vehicles from plants in Canada or Mexico to plants in the United States. Hearing transcript, pp. 396-397 (Kenny) and Canadian respondent interested parties' prehearing brief, pp. 5-7.

<sup>38</sup> Seven purchasers, including five automotive end users, reported that prices are set using annual contracts but that they take delivery on a daily basis.

purchasing pattern to change in the next two years. Sixteen purchasers reported that the quantity of their purchases is consistent throughout the year, and thirteen reported that their purchases are seasonal in nature. Seventeen of the 34 responding purchasers reported changing suppliers since 2000; six of the changes resulted from mergers, consolidations, and bankruptcies within the industry. Four purchasers reported that their changes were a result of differences in pricing.

### Factors Affecting Purchasing Decisions

Purchasers were asked to identify the three major factors considered by their firm in deciding from whom to purchase corrosion-resistant steel (table CORE-II-5). Price and quality were the most commonly cited factors overall. Thirteen of the 34 responding purchasers reported that price was the most important factor, and 12 reported that quality was the most important factor. The next most commonly cited factors were availability, delivery and service, and reliability.

**Table CORE-II-5**

**Corrosion-resistant steel: Most important factors in selecting a supplier, as reported by purchasers**

Factor	First	Second	Third
Price	13	6	12
Quality	12	10	4
Availability	5	5	6
Reliability	1	2	1
Surface finish/appearance	1	1	0
Traditional supplier	1	0	1
Delivery/service	0	6	4
Consistency	0	2	0
Contracts	0	0	2
Product range	0	0	2
Other	1	2	1
Note.--Other category includes capability, long-term strategy, technical resources, and supply chain.			
Source: Compiled from data submitted in response to Commission questionnaires.			

Purchasers were asked what factors determined the quality of corrosion-resistant steel. Factors cited included surface appearance, yield strength, tensile strength, formability, flatness, uniformity of the coating, metallurgical consistency, durability, weldability, and drawability. Eleven purchasers cited the necessity of meeting the firm's specifications or meeting ASTM or another of the various industry standards. Twenty-seven of the 33 responding purchasers reported that they require suppliers to become certified or prequalified and that these requirements apply to all, or nearly all, of their 2005 purchases.<sup>39</sup> Most of the requirements consist of standards set by independent organizations, such as the ASTM or ISO. Other purchasers perform audits or require mill certificates or samples for testing.

Purchasers were asked if they always, usually, sometimes, or never purchased the lowest priced corrosion-resistant steel. Thirteen purchasers reported always or usually purchasing the lowest priced

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<sup>39</sup> \*\*\* reported that 50 percent of its 2005 purchases of corrosion-resistant steel required some form of certification or prequalification; \*\*\* reported that 40 percent of its 2005 purchases required certification; and \*\*\* reported that 30 percent of its 2005 purchases required certification.

product and 17 sometimes purchased the lowest priced corrosion-resistant steel. Four purchasers, \*\*\*, reported never purchasing the lowest priced corrosion-resistant steel. Of those who reported sometimes or never purchasing the lowest priced product, availability, reliability, quality, contract commitments, long-term relationship with the supplier, inventory control, management factors, and reputation were factors cited as to why price is not a controlling factor.

Purchasers also were asked if they purchased corrosion-resistant steel from one country in particular. Ten purchasers responded, reporting reasons why they purchased from one country in particular. Reasons provided included domestic-only requirements or preferences, government work that requires a domestic supplier, logistics, technical support, and loyalty. Eight purchasers reported that certain grades, types, or sizes of corrosion-resistant steel are available only from a single source; with five reporting that certain products are only available from suppliers outside the United States and two citing AK Steel as the only U.S. source for aluminized steel.<sup>40</sup>

In rating the importance of 20 factors in their purchasing decisions (table CORE-II-6), 31 of the 34 responding purchasers rated availability and price as very important; 30 reported that product consistency was very important; 28 reported that quality meeting industry standards and reliability were very important; 27 reported that delivery time and finish/appearance were very important; and 23 reported that delivery terms was very important.

Purchasers were asked for a country-by-country comparison of the same 20 factors (table CORE-II-7). One purchaser completed this comparison for the United States and Australia, eight for the United States and Canada, seven for the United States and France, nine for the United States and Germany, eight for the United States and Japan, and 13 for the United States and Korea. The majority of purchasers reported that the domestic product was comparable or superior to the subject products in all categories.

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<sup>40</sup> \*\*\* reported that they source some products only from U.S. mills.

Table CORE-II-6

**Corrosion-resistant steel: Importance of purchase factors, as reported by purchasers**

Factor	Very important	Somewhat important	Not important
	<i>Number of firms responding</i>		
Availability	31	3	0
Contract with supplier	21	7	6
Delivery terms	23	10	1
Delivery time	27	5	1
Discounts offered	9	16	8
Extension of credit	8	14	11
Finish/appearance	27	6	1
Minimum quantity requirements	6	22	6
Packaging	12	18	4
Price <sup>1</sup>	31	2	1
Product consistency	30	3	1
Product range	16	14	4
Proximity of supplier	9	18	7
Qualification for certain applications	20	11	2
Quality meets industry standards	28	3	2
Quality exceeds industry standards	12	14	7
Reliability of supply	28	5	1
Technical support/service	21	9	4
Traditional supplier	5	20	9
U.S. transportation costs	22	10	2

<sup>1</sup> \*\*\* reported that price was not an important factor in its purchasing decisions, yet it reported price as the second most important factor in deciding from whom to purchase corrosion-resistant steel.

Note.--Not all purchasers responded for each factor.

Source: Compiled from data submitted in response to Commission questionnaires.

Table CORE-II-7

Corrosion-resistant steel: Comparisons of product by source country, as reported by purchasers<sup>1</sup>

Factor	U.S. vs Australia			U.S. vs Canada			U.S. vs France		
	S	C	I	S	C	I	S	C	I
	<i>Number of firms responding</i>								
Availability	***	***	***	3	5	0	3	4	0
Contract with supplier	***	***	***	2	6	0	3	4	0
Delivery terms	***	***	***	1	7	0	3	4	0
Delivery time	***	***	***	0	8	0	4	3	0
Discounts offered	***	***	***	1	7	0	1	5	0
Extension of credit	***	***	***	2	6	0	3	4	0
Finish/appearance	***	***	***	1	6	1	1	4	2
Minimum quantity requirements	***	***	***	1	7	0	1	6	0
Packaging	***	***	***	0	8	0	1	6	0
Price <sup>2</sup>	***	***	***	3	5	0	3	2	2
Product consistency	***	***	***	0	8	0	1	5	1
Product range	***	***	***	2	5	1	1	4	2
Proximity of supplier	***	***	***	5	3	0	6	1	0
Qualification for certain applications	***	***	***	1	7	0	0	6	1
Quality meets industry standards	***	***	***	0	8	0	0	6	1
Quality exceeds industry standards	***	***	***	0	8	0	1	5	1
Reliability of supply	***	***	***	2	6	0	3	4	0
Technical support/service	***	***	***	1	7	0	3	3	1
Traditional supplier	***	***	***	1	7	0	2	5	0
U.S. transportation costs <sup>2</sup>	***	***	***	4	4	0	5	1	1

Table continued on next page.



Table CORE-II-7--Continued

Corrosion-resistant steel: Comparisons of product by source country, as reported by purchasers<sup>1</sup>

Factor	U.S. vs Germany			U.S. vs Japan			U.S. vs Korea		
	S	C	I	S	C	I	S	C	I
	<i>Number of firms responding</i>								
Availability	3	6	0	5	3	0	4	7	2
Contract with supplier	3	6	0	4	4	0	6	6	1
Delivery terms	3	6	0	1	7	0	5	7	1
Delivery time	5	4	0	5	3	0	8	4	1
Discounts offered	1	7	0	0	7	0	0	10	2
Extension of credit	3	6	0	1	7	0	2	9	2
Finish/appearance	1	5	3	0	5	3	3	8	2
Minimum quantity requirements	2	7	0	1	7	0	1	11	1
Packaging	1	7	1	0	7	1	0	10	3
Price <sup>2</sup>	3	4	2	4	4	0	1	8	4
Product consistency	1	6	2	0	5	3	1	9	3
Product range	1	4	4	0	4	4	2	10	1
Proximity of supplier	8	1	0	7	1	0	11	2	0
Qualification for certain applications	0	7	2	0	5	3	0	11	2
Quality meets industry standards	0	9	0	0	8	0	1	10	2
Quality exceeds industry standards	1	6	2	0	5	3	3	8	2
Reliability of supply	2	7	0	3	5	0	4	8	1
Technical support/service	3	5	1	2	5	1	5	6	1
Traditional supplier	2	7	0	3	5	0	6	6	1
U.S. transportation costs <sup>2</sup>	6	2	1	4	3	1	7	5	1

<sup>1</sup> Twelve purchasers completed the comparison for the United States and nonsubject countries or "all foreign countries" (see appendix K).

<sup>2</sup> A rating of "S" on price and U.S. transportation costs indicates that this country has lower prices/costs than the other country.

Note.--S=first-listed country's product is superior; C=both countries' products are comparable; I=first-listed country's product is inferior.

Note.--Not all purchasers responded for every factor.

Source: Compiled from data submitted in response to Commission questionnaires.

Twenty-nine purchasers reported factors they considered in qualifying a new supplier. Factors considered included quality, price, availability, reliability, service, delivery, consistency, product range, lead times, and ability to meet specifications or industry standards. The time required to qualify a new supplier was reported by 18 purchasers and ranged from one week to two years.<sup>41</sup>

Purchasers were asked if any suppliers had failed to qualify their product or lost their approved status. Two purchasers reported that Nucor failed to qualify its products, with one reporting that it failed for the inability to meet weldability requirements and one reporting that its pre-painted material for a laundry application failed a life test. Two purchasers reported that ThyssenKrupp failed to qualify its products, with one reporting that its \*\*\* product failed and one reporting that its product failed in \*\*\*. Two purchasers reported that nonsubject Indian material failed for quality and flatness problems, one purchaser reported that Mittal had failed, and one reported that Worthington had failed. Another purchaser reported that some firms fail on the first time through the process but eventually resolve whatever problems were found and become qualified. Purchasers were asked how often they and their customers make purchasing decisions involving corrosion-resistant steel based on the producer of the product they purchase and based on the country of origin of the corrosion-resistant steel they purchase. Their responses are summarized in the following tabulation:

<b>Factor</b>	<b>Always</b>	<b>Usually</b>	<b>Sometimes</b>	<b>Rarely or never</b>
Firm purchases based on producer?	15	5	8	6
Customers purchase based on producer?	2	3	7	19
Firm purchases based on country of origin?	4	4	10	16
Customers purchase based on country of origin?	1	2	6	24

When asked how the firm or its customers determine the source, some purchasers reported that they buy direct from the mill, require suppliers to go through a lengthy approval or qualification process, or rely on the supplier's reputation. When asked why the information is important, purchasers reported that such things as quality, availability, delivery, service, and price may vary by supplier. Some purchasers reported that they try to buy from U.S. sources for logistical reasons and because they or their customers may have preferences or requirements for U.S. products. \*\*\* reported that it has an overall company direction to localize corrosion-resistant steel sourcing; \*\*\* reported that it purchases from one supplier in order to increase its purchasing leverage with that supplier; \*\*\* reported that vehicle makers do not have a rigorous approval process but that validation and quality assessments do occur; and \*\*\* reported that it makes firm-specific, not country-specific supplier selections but that in some cases, it must evaluate the total U.S. or North American content of its products to qualify them for trade preference programs such as NAFTA or the U.S.-Australian Free Trade Agreement.

Purchasers were asked if buying a product that is produced in the United States is an important factor in their purchases of corrosion-resistant steel. Twenty-one of the 34 responding purchasers reported that it was not an important factor. Of the 13 purchasers that reported buying a U.S.-produced product is important, most reported that their preferences are determined for other reasons, including availability, quality, price, inventory, localization of supply, and proximity of suppliers. Four purchasers reported that their purchases of domestic corrosion-resistant steel are required by law or regulation, and

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<sup>41</sup> General Motors reported that it takes "a fair amount of time" to be sure a supplier can make the qualities and structural requirements that it needs but that it can overcome those constraints given some time. Hearing transcript, p. 455 (Cover).

one reported that domestic purchases are required by its customers and this generally involved a range from 10 to 50 percent of their purchases of corrosion-resistant steel.

Purchasers also were asked how often domestically produced, subject imports, and nonsubject imports of corrosion-resistant steel meet minimum quality specifications. Their responses are summarized in the following tabulation:

Source	Always	Usually	Sometimes	Never
Domestically produced	12	17	1	0
Subject imports	14	12	0	1
Nonsubject imports - China	4	3	0	1
Nonsubject imports - Taiwan	2	1	0	0
Nonsubject imports - India	1	1	1	0
Nonsubject imports - Brazil	1	1	0	0

Of the 16 purchasers who reported being aware of new suppliers in the market since 2000, six cited domestic mills having entered the market or being new as a result of consolidation; six cited entries from China; and others reported entries from India, Mexico, and Korea. Twelve of those 16 purchasers reported purchasing from one or more of the new suppliers. Nineteen purchasers expect new corrosion-resistant steel suppliers to enter the market in the future, with most reporting that SeverCorr will begin production in 2007 and that Nucor's expansion will begin production in 2007-08. Other purchasers reported that they expect to see additional entries from China and India.

### Lead Times

Twelve of the 17 responding producers reported selling at least 95 percent of their corrosion-resistant steel produced to order, with lead times ranging from 4 to 12 weeks. Four producers reported selling at least 50 percent of their corrosion-resistant steel from inventory, with lead times from one or two days to two weeks.<sup>42</sup>

Eighteen of the 20 responding importers reported selling at least 75 percent of their corrosion-resistant steel produced to order, with lead times ranging from one to six months. Two importers reported selling 100 percent of their corrosion-resistant steel from inventory, with lead times ranging from one week to four months.

Fifteen producers reported offering just-in-time or similar inventory services for corrosion-resistant steel customers in the United States. Six producers reported offering consignment agreements, and five reported offering just-in-time services. Eight of the 24 responding importers reported offering these types of services.

### Comparisons of Domestic Products, Subject Imports, and Nonsubject Imports

Producers, importers, and purchasers were asked to assess how interchangeable corrosion-resistant steel from the United States is with corrosion-resistant steel from both subject and nonsubject countries. Their answers are summarized in table CORE-II-8.

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<sup>42</sup> \*\*\* reported lead times of 10 weeks for goods produced to order and goods sold from inventory.

**Table CORE-II-8**

**Corrosion-resistant steel: U.S. producers', importers', and purchasers' perceived degree of interchangeability of products produced in the United States and in other countries<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers					U.S. purchasers				
	A	F	S	N	0	A	F	S	N	0	A	F	S	N	0
U.S. vs. Australia	9	0	2	0	4	1	2	0	1	18	4	2	1	0	16
U.S. vs. Canada	11	2	0	0	2	4	4	1	1	12	10	5	0	0	10
U.S. vs. France	10	2	0	0	3	3	3	1	1	14	11	5	1	0	10
U.S. vs. Germany	12	2	1	0	0	2	6	1	1	12	9	5	3	0	8
U.S. vs. Japan	13	1	1	0	0	5	4	1	1	11	10	7	2	0	8
U.S. vs. Korea	11	2	0	0	2	4	4	0	1	15	12	6	2	0	8
U.S. vs. other countries	6	3	0	0	4	1	4	3	1	11	6	4	1	0	9
Australia vs. Canada	8	0	1	0	5	0	0	1	1	19	4	2	0	0	17
Australia vs. France	8	1	0	0	5	0	1	0	1	19	4	2	0	0	17
Australia vs. Germany	8	1	0	0	5	0	1	0	1	19	4	2	0	0	17
Australia vs. Japan	9	0	1	0	4	0	0	0	1	20	4	2	1	0	17
Australia vs. Korea	8	1	0	0	5	0	0	0	1	21	5	3	0	0	16
Australia vs. other countries	5	1	0	0	7	0	0	0	1	19	2	1	0	0	14
Canada vs. France	9	1	0	0	4	1	3	1	1	15	7	5	0	0	13
Canada vs. Germany	11	0	0	0	3	0	3	2	1	15	7	5	0	0	12
Canada vs. Japan	11	1	0	0	2	0	2	1	1	17	7	5	1	0	12
Canada vs. Korea	9	1	0	0	4	0	2	1	1	18	7	4	0	0	14
Canada vs. other countries	5	2	0	0	6	0	1	1	1	17	3	2	1	0	12
France vs. Germany	10	0	0	0	4	1	2	0	1	17	8	5	0	0	12
France vs. Japan	9	2	0	0	3	0	3	0	1	17	7	6	1	0	12
France vs. Korea	8	1	0	0	5	0	2	0	1	19	8	5	0	0	13
France vs. other countries	5	2	0	0	6	0	1	2	1	16	2	3	1	0	12
Germany vs. Japan	10	2	0	0	2	1	3	0	1	16	8	6	1	0	11
Germany vs. Korea	8	2	0	0	4	0	2	0	1	19	8	5	0	0	13
Germany vs. other countries	5	2	0	0	6	0	1	2	1	16	2	3	1	0	12
Japan vs. Korea	9	1	0	0	4	1	3	0	1	17	10	4	0	0	12
Japan vs. other countries	5	2	0	0	6	0	2	0	1	17	3	3	1	0	11
Korea vs. other countries	5	1	0	0	7	1	2	0	1	16	3	4	1	0	10

<sup>1</sup> Producers, importers, and purchasers were asked if corrosion-resistant steel produced in the United States and in other countries is used interchangeably.

Note.--“A” = Always, “F” = Frequently, “S” = Sometimes, “N” = Never, and “0” = No familiarity.

Source: Compiled from data submitted in response to Commission questionnaires.

Generally, producers, importers, and purchasers reported that corrosion-resistant steel from the United States and from other countries are always or frequently interchangeable. For those firms that reported that corrosion-resistant steel is sometimes or never used interchangeably, they were asked to explain the factors that preclude or limit interchangeable use. \*\*\* reported that there may be some strict auto applications for which producers from some countries would have trouble meeting the specifications. \*\*\* reported that China and India offer large quantities at low prices.

Reported factors cited by importers included differences in quality, thickness, width, and strength; the limited capabilities of some mills; limited technical support; and the inability to upgrade outdated equipment.<sup>43</sup> \*\*\* reported that customers in different countries demand different specifications, and thus corrosion-resistant steel is never used interchangeably. \*\*\* reported that corrosion-resistant steel from the various countries is only sometimes interchangeable for the construction market. \*\*\* reported that some material grades or finishes are not produced in the United States or Canada.

Reported factors cited by purchasers included different levels of quality, performance, and chemistry. \*\*\* reported that it was unable to achieve the required formability from German bake-hardenable steel; \*\*\* reported that U.S. mills cannot produce certain types of high-strength steel; \*\*\* reported that interchangeability is limited by production to end-use specifications and product qualification standards; and \*\*\* reported that capability is dependent on the supplier, not the country of origin.

Producers and importers were asked to assess how often differences other than price were significant in sales of corrosion-resistant steel from the United States, subject countries, and nonsubject countries (table CORE-II-9). Generally, producers and importers reported that differences other than price were sometimes or never significant. For those firms that reported that factors other than price are always or frequently a significant factor in their sales of corrosion-resistant steel, they were asked to explain the advantages or disadvantages imparted by such factors. \*\*\* reported that quality, lead times, and transportation are significant non-price factors, and \*\*\* reported that a large part of its corrosion-resistant steel sales is used for federal and state transportation projects that are subject to “Buy American” provisions.

Importers cited factors such as availability, technical capability, logistics, formability, product ranges, and technical support as significant non-price factors. \*\*\* reported that some customers have the perception that foreign corrosion-resistant steel is of lower quality. \*\*\* reported that it has the only coating line in \*\*\* approved for \*\*\*. \*\*\* reported that \*\*\* and is able to provide prompt delivery and technical support. \*\*\* reported that some products are not produced or only produced in a limited scope.

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<sup>43</sup> A large number of importers and, to a lesser extent, purchasers reported being unfamiliar with products from all of the specified country pairs.

**Table CORE-II-9**

**Corrosion-resistant steel: U.S. producers' and importers' perceived importance of factors other than price in sales of product produced in the United States and in other countries<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers				
	A	F	S	N	0	A	F	S	N	0
U.S. vs. Australia	1	2	1	7	4	1	0	2	0	18
U.S. vs. Canada	1	3	2	7	2	1	1	5	3	11
U.S. vs. France	2	2	1	7	3	1	1	5	2	12
U.S. vs. Germany	2	4	2	7	0	2	0	7	1	11
U.S. vs. Japan	2	4	1	8	0	2	1	5	2	11
U.S. vs. Korea	1	3	1	8	2	1	0	3	4	15
U.S. vs. other countries	1	2	1	5	3	1	2	6	0	12
Australia vs. Canada	0	1	1	7	5	1	1	2	0	17
Australia vs. France	0	1	1	7	5	1	0	2	0	18
Australia vs. Germany	0	1	1	7	5	1	0	2	0	18
Australia vs. Japan	1	1	1	7	4	1	0	2	0	18
Australia vs. Korea	0	1	1	7	5	1	0	2	0	19
Australia vs. other countries	0	1	1	4	6	1	0	2	0	18
Canada vs. France	0	1	1	7	5	1	1	3	2	14
Canada vs. Germany	0	2	1	7	4	2	1	3	1	14
Canada vs. Japan	1	2	1	7	3	1	1	2	1	16
Canada vs. Korea	0	2	1	7	4	1	1	2	2	15
Canada vs. other countries	0	1	1	4	6	1	1	2	1	16
France vs. Germany	0	1	1	7	5	1	0	2	2	16
France vs. Japan	1	1	1	7	4	1	0	3	1	16
France vs. Korea	0	1	1	7	5	1	0	3	1	17
France vs. other countries	0	1	1	4	6	1	1	4	0	15
Germany vs. Japan	1	2	1	7	3	1	0	3	1	16
Germany vs. Korea	0	2	1	7	4	1	0	3	1	17
Germany vs. other countries	0	1	1	4	6	1	0	4	0	16
Japan vs. Korea	0	2	1	7	4	1	0	3	2	16
Japan vs. other countries	0	1	1	4	6	1	0	4	0	16
Korea vs. other countries	0	1	1	4	6	1	0	4	0	16

<sup>1</sup> Producers and importers were asked if differences other than price between corrosion-resistant steel produced in the United States and in other countries are a significant factor in their sales of the products.

Note.--"A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

Source: Compiled from data submitted in response to Commission questionnaires.

## **ELASTICITY ESTIMATES**

### **U.S. Supply Elasticity**

The domestic supply elasticity for corrosion-resistant steel measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of corrosion-resistant steel. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to and from production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced corrosion-resistant steel. Earlier analysis of these factors indicates that the U.S. industry has a small to moderate ability to increase or decrease shipments to the U.S. market; an estimate in the range of 1 to 3 is suggested.<sup>44</sup>

### **U.S. Demand Elasticity**

The U.S. demand elasticity for corrosion-resistant steel measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of corrosion-resistant steel. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of corrosion-resistant steel in the production of any downstream products. Based on the available information, the aggregate demand elasticity for corrosion-resistant steel is likely to be in a range of -0.3 to -0.7.

### **Substitution Elasticity**

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.<sup>45</sup> Product differentiation, in turn, depends upon such factors as quality and conditions of sale. Based on available information concerning product range, quality, availability, and degree of substitution, the elasticity of substitution between domestic and subject corrosion-resistant steel is likely to be in the range of 3 to 5 for all six subject countries.<sup>46</sup>

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<sup>44</sup> Joint respondent interested parties reported that the domestic supply elasticity should be nearer to 0 and not more than 1, despite the reported domestic capacity utilization data. Joint respondent interested parties' prehearing brief, p. 21.

<sup>45</sup> The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

<sup>46</sup> Canadian producers suggested a range of 1 to 2 for the elasticity of substitution for Canada because the Canadian industry is almost solely focused on the automotive end use segment. Canadian respondent interested parties' prehearing brief, p. 20. Although Canada's export shipments to the U.S. market are \*\*\* to the automotive end use segment, \*\*\* of Canadian producers' total shipments of corrosion-resistant steel is for non-automotive applications (*see* table CORE-IV-21).





## PART CORE-III: CONDITION OF THE U.S. INDUSTRY

The information in this section of the report was compiled from responses to the Commission's questionnaires. Twenty-three firms, which, as noted in Part CORE-I, accounted for the vast majority of U.S. production of corrosion-resistant steel during the period for which data were collected, supplied information on their operations.<sup>1 2</sup> Table CORE-III-1 summarizes important industry events that have taken place since January 2000.

**Table CORE-III-1**

**Corrosion-resistant steel: Important industry events, January 2000 - June 2006**

Year	Company	Description of event (merger, shutdown, bankruptcy, change in capacity)
2000	Gulf States Steel	<b>Closure:</b> While in Chapter 11 bankruptcy proceedings, mill closes and company is liquidated. The new owner subsequently announces plans to develop the property into an industrial park and sell the equipment to companies in China.
	Columbus Coatings	<b>Start-up:</b> Columbus Coatings, a joint venture of Bethlehem Steel and LTV Steel, was previously a joint venture of LTV and Sumitomo producing electrogalvanized steel. It had been shut down, was converted to produce hot-dip galvanized and galvanized steel, and was restarted.
	LTV	<b>Bankruptcy:</b> Files for Chapter 11 bankruptcy protection.
2001	Bethlehem Steel	<b>Bankruptcy:</b> Files for Chapter 11 bankruptcy protection.
	Wheeling-Pittsburgh Steel	<b>Bankruptcy:</b> Files for Chapter 11 bankruptcy protection.
	Double Eagle Steel Coating Company	<b>Disruption due to fire:</b> Operations were suspended in December due to a fire. Double Eagle, a joint venture of U.S. Steel and Rouge Steel, was the largest electrogalvanizing operation in the United States.
	GalvPro	<b>Shut down:</b> Operations are suspended at this hot-dip galvanizing firm, a joint venture of Weirton Steel and CORUS (Netherlands).
2002	AK-ISG Steel Coating Company	<b>Ownership Change:</b> AK Steel acquired a 60 percent interest (40 percent from Sumitomo and 20 percent from ISG; ISG retains 40 percent ownership) in this electrogalvanizing operation.
	CSN	<b>Start-up:</b> CSN started production.
	Double Eagle Steel Coating Company	<b>Operations resumed:</b> Repairs to the facility were completed and operations resumed in September, after a nine month shutdown.
	LTV	<b>Bought out:</b> ISG purchases assets of LTV.
	National Steel	<b>Bankruptcy:</b> Files for Chapter 11 bankruptcy protection.
2003	Bethlehem	<b>Bought out:</b> ISG purchases assets of Bethlehem Steel.
	Weirton Steel	<b>Bankruptcy:</b> Files for Chapter 11 bankruptcy protection.
	Rouge Steel	<b>Bankruptcy:</b> Files for Chapter 11 bankruptcy protection.
	Steel Dynamics	<b>Restart:</b> Purchases and restarts operations of GalvPro, a hot-dip galvanized plant.
	U.S. Steel	<b>Bought out:</b> Acquires the integrated steelmaking assets of National Steel.
	WCI	<b>Bankruptcy:</b> Enters Chapter 11 bankruptcy protection.
	Pinole Point Steel Company	<b>Shut down:</b> Materials Science Corp. sold this California operation to Imsa Acero (Mexico), which shut down the hot-dip galvanizing line.

Table continued on next page.

<sup>1</sup> Data in this section of the report include operations by several joint-venture toll producers as reported by their parent companies. \*\*\*.

<sup>2</sup> Three U.S. producers provided business plans and four provided internal documents that describe, discuss, or analyze future market conditions or market conditions if the subject orders were revoked.

Table CORE-III-1--*Continued*

Corrosion-resistant steel: Important industry events, January 2000 - June 2006

Year	Company	Description of event (merger, shutdown, bankruptcy, change in capacity)
2004	Weirton Steel	<b>Bought out:</b> ISG purchases assets of Weirton Steel.
	Rouge Steel	<b>Bought out:</b> Severstal North America purchases the assets of Rouge Steel.
2005	ISG	<b>Bought out:</b> Mittal Steel USA acquires ISG. Mittal's corrosion-resistant steel properties in the United States now include those previously owned by LTV Steel, Bethlehem Steel, Weirton Steel, and Ispat-Inland.
	Winner Steel	<b>New line started:</b> Winner Steel started up a new line to produce 600,000 - 700,000 tons per year of hot-dip galvanized and galvanized steel.
	SeverCorr	<b>New company started:</b> Newly-formed steel company, SeverCorr, began construction of a new, \$880 million steel mill in Columbus, MS. The new mill is expected to start up in 2007 and reach full capacity in 2008 of 1.5 million tons of steel products, of which 400,000 tons will be hot-dip galvanized and galvanized steel.
	Mittal Steel USA	<b>Merger:</b> Mittal Steel USA, parent company, Mittal Steel, NV, the largest steel company in the world, merged with Arcelor, the second-largest, forming an alliance with corrosion-resistant steel operations in 12 countries.
2006	AK-ISG Steel Coating Company	<b>Shut down:</b> AK Steel, the majority owner announced the indefinite idling of this producer of electrogalvanized steel.
	Steelscape	<b>New line started:</b> Hot-dip galvanizing line being relocated from CA to Shreveport, LA. Forecast to be completed in first quarter 2007.
	Mittal	<b>New line added:</b> Starting up new line in Cleveland, OH, with 700,000 tons of hot-dip galvanizing capacity at Cleveland hot-dip galvanized coating line. Line will be able to produce at full capacity by the end of the first quarter in 2007.
	Nucor	<b>New line added:</b> Announced a new hot-dip galvanizing line to be installed at Nucor Steel Decatur. Annual capacity will be 500,000 tons and the facility will have the ability to produce a 72-inch wide sheet.
Source: AMM, Steel News, company websites and annual reports, and other press articles.		

## U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Table CORE-III-2 presents data concerning capacity, production, and capacity utilization for domestic producers of corrosion-resistant steel,<sup>3</sup> while table CORE-III-3 details U.S. producers' capacity, production, and capacity utilization for hot-dip galvanizing, electrogalvanizing, and other coating operations. Overall capacity fluctuated during the period for which data were collected, reflecting mill openings and closures.<sup>4</sup> Declining capacity and production from 2000 to 2001 reflects consolidations at \*\*\*, \*\*\*, Double Eagle's disruption due to fire, and GalvPro's closure. The increase in capacity in January-June 2006 reflects \*\*\*. Declining production in 2005 and the subsequent increase in January-June 2006 was an industry-wide trend. The main reported constraint on production capacity is the capacity of the production equipment.

<sup>3</sup> None of the U.S. producers reported the ability to switch production between corrosion-resistant steel and other products in response to a relative change in the price of corrosion-resistant steel vis-a-vis the price of other products, using the same equipment and labor.

<sup>4</sup> Firms generally reported capacity as based on 168 hours per week and 50-52 weeks per year. \*\*\*.

Table CORE-III-2

**Corrosion-resistant steel: U.S. capacity, production, and capacity utilization, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003 <sup>1</sup>	2004	2005	2005	2006
Capacity (short tons)	26,321,105	25,698,401	26,161,576	25,663,099	26,283,125	26,280,223	13,109,626	13,615,055
Production (short tons)	21,213,322	19,537,128	21,289,304	20,455,321	22,392,513	20,889,145	10,373,291	11,573,948
Capacity utilization (percent)	80.6	76.0	81.4	79.7	85.2	79.5	79.1	85.0
<sup>1</sup> ***								
Source: Compiled from data submitted in response to Commission questionnaires.								

Table CORE-III-3

**Corrosion-resistant steel: U.S. capacity, production, and capacity utilization, by type, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Hot-dip galvanized corrosion-resistant steel</b>								
Capacity (short tons)	19,130,611	19,512,257	20,539,014	19,689,006	19,915,088	20,141,700	10,087,953	10,446,834
Production (short tons)	15,502,716	15,051,728	16,826,975	15,701,535	17,183,467	16,162,452	7,995,476	9,076,421
Capacity utilization (percent)	81.0	77.1	81.9	79.7	86.3	80.2	79.3	86.9
<b>Electrolytic galvanized corrosion-resistant steel</b>								
Capacity (short tons)	4,374,194	3,432,685	2,799,122	3,337,607	3,399,513	3,438,700	1,718,600	1,781,000
Production (short tons)	3,405,509	2,564,631	1,991,769	2,697,326	2,622,153	2,573,642	1,345,587	1,306,639
Capacity utilization (percent)	77.9	74.7	71.2	80.8	77.1	74.8	78.3	73.4
<b>Other corrosion-resistant steel<sup>1</sup></b>								
Capacity (short tons)	2,882,300	2,786,459	2,823,440	2,636,486	2,968,524	2,699,823	1,303,073	1,387,221
Production (short tons)	2,368,789	1,941,950	2,471,560	2,057,460	2,586,893	2,153,051	1,032,228	1,191,793
Capacity utilization (percent)	82.2	69.7	87.5	78.0	87.1	79.7	79.2	85.9
<b>Total corrosion-resistant steel</b>								
Capacity (short tons)	26,387,105	25,731,401	26,161,576	25,663,099	26,283,125	26,280,223	13,109,626	13,615,055
Production (short tons)	21,277,014	19,558,309	21,290,304	20,456,321	22,392,513	20,889,145	10,373,291	11,574,853
Capacity utilization (percent)	80.6	76.0	81.4	79.7	85.2	79.5	79.1	85.0
<sup>1</sup> Includes aluminum, zinc-aluminum, nickel, and copper.								
Source: Compiled from data submitted in response to posthearing questions from the Commission.								

Several responding firms reported changes to their operations relating to the production of corrosion-resistant steel since 2000.<sup>5</sup> In April 2002, ISG acquired all of LTV Steel's assets out of bankruptcy and restarted the idled Indiana Harbor and Hennepin facilities. In July 2002, CSN started production of corrosion-resistant steel. In May 2003, ISG acquired the assets of Bethlehem Steel, as well as some equity interests in certain joint ventures. In May 2003, ISG acquired out of bankruptcy all of the assets of Weirton Steel. In December 2004, Ispat International completed its acquisition of LNM Holdings and changed its name to Mittal Steel. Ispat Inland became a wholly owned subsidiary of Mittal. In April 2005, ISG merged with Park Acquisition, a wholly owned subsidiary of Mittal. This transaction resulted in a name change and change in ownership; however, each of ISG's steelmaking facilities continued to produce. In December 2005, Ispat Inland merged with and into Mittal. In June 2006, Mittal announced that it reached an agreement with Arcelor to combine the two companies. The merger is undergoing review, and they hope to complete it by June 2007.<sup>6</sup>

In 2001, USS-POSCO experienced a fire in its cold reduction mill, which affected its production of corrosion-resistant steel. \*\*\*. In December 2001, the Rouge and U.S. Steel joint venture, Double Eagle, experienced a fire which shut it down until September 2002. In 2002, AK and ISG (now Mittal) formed the joint venture LSE, now named AK-ISG. This electrogalvanizing facility is currently idled. In 2003, U.S. Steel purchased the assets of National Steel. Steelscape acquired MSC's Pinole Point paintline in Richmond, CA, in 2004<sup>7</sup> and acquired the Polymer paintline located in Fairfield, AL, in 2004. In 2003, Rouge filed for bankruptcy and its assets were acquired by Severstal in January 2004. Pro-Tec reported that during the period of review, it \*\*\*. Through the development and commercialization of \*\*\*.

In October 2005, a newly-formed steel company, SeverCorr, began construction of a new, \$880 million steel mill in Columbus, MS. The new mill is expected to start up in 2007 and reach full capacity in 2008 of 1.5 million tons of steel products, of which 400,000 tons will be hot-dip galvanized and galvanized steel.<sup>8</sup> Russian steelmaker OAO Severstal Group is the main equity investor in the project. Financing for the project comprises \$220 million in equity, \$36.5 million in government grants, and \$625 million in debt, including a \$60 million loan from the State of Mississippi.<sup>9</sup>

### **Anticipated Changes in Existing Operations**

In addition to the previously noted construction already underway by SeverCorr, in June 2006, Nucor announced that it would spend about \$150 million to construct a new galvanizing facility to produce about 500,000 tons per year of hot-dip galvanized steel at its plant in Decatur, AL.<sup>10</sup> In 2006, Mittal began bringing on line \*\*\* tons of hot-dip galvanizing capability at its Cleveland hot-dip galvanized coating line. The line will be able to produce at full capacity \*\*\*. In addition, by the end of 2006 Mittal will shut down \*\*\*, will shut down \*\*\*, and will convert \*\*\*. In August 2005, as part of an

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<sup>5</sup> Several firms reported no changes to their operations: \*\*\*.

<sup>6</sup> International Herald Tribune, "Arcelor Mittal To Make 'Best Efforts' To Wrap Up Merger By June 2007," retrieved at [http://www.ihf.com/articles/ap/2006/11/14/business/EU\\_FIN\\_Luxembourg\\_Arcelor\\_Mittal.php](http://www.ihf.com/articles/ap/2006/11/14/business/EU_FIN_Luxembourg_Arcelor_Mittal.php), on November 15, 2006.

<sup>7</sup> This line was closed in 2005.

<sup>8</sup> SeverCorr web site, <http://severcorr.com/products/lines/default.asp>, retrieved September 12, 2006.

<sup>9</sup> <http://www.globalprincipal.com/projectfinance.htm>, retrieved September 12, 2006.

<sup>10</sup> American Metal Market, "Nucor targets transplants with new galvanizing line," June 15, 2006.

expansion backed by its Mexican parent company, IMSA Acero, Steelscape announced that it would move its idled Richmond, CA, to a new site in Shreveport, LA.<sup>11</sup>

More recently, the directors of WPS have backed a friendly purchase offer from CSN, however steel service center Esmark has offered a competing proposal that is backed by the USWA.<sup>12</sup> WPS's annual shareholder meeting was held on November 17, 2006. Esmark's slate of directors was voted in at the shareholder meeting; they will likely vote in favor of Esmark's offer.

Mittal reported that it has idled two of its ten blast furnaces, one of which is its Weirton facility, with additional output cuts reported by AK Steel and U.S. Steel.<sup>13</sup> AK and Mittal have indefinitely idled their jointly-owned electrogalvanized facility in Cleveland.<sup>14</sup>

Finally, Thyssen is considering a "Greenfield-Option" (construction of new downstream facilities such as rolling and coating lines in the United States) or a "Brownfield-Option" (joint-venture/acquisition of downstream facilities from traditional U.S. producers).<sup>15</sup> Reportedly, Alabama, Arkansas, and Louisiana are being considered for a hot-strip mill, cold-rolling facilities, and hot-dip galvanizing operations, in addition to a proposed stainless steel mill. Of the three locations, Alabama (specifically Mobile) is believed to be a strong contender.<sup>16</sup>

### **Alternative Products**

A majority of responding firms reported that they do not produce alternative products on the same equipment or using the same employees.<sup>17</sup> \*\*\* reported that it produces hot-rolled sheet and cold-rolled sheet on the same equipment. \*\*\* reported that it produces nonsubject alloy and stainless corrosion-resistant steel on the same equipment. \*\*\* reported that it produces aluminized stainless and TZ aluminized on the same equipment.

As shown in table CORE-III-4, the majority of corrosion-resistant steel production by U.S. mills is subject merchandise, primarily hot-dip galvanized steel. Production of hot-dip galvanized steel was sharply higher in January-June 2006 compared to January-June 2005, while production of electrogalvanized steel was lower. The U.S. mills reported very minor production of micro-alloy steel, and to a slightly greater extent other forms of nonsubject merchandise on the same equipment used to produce subject corrosion-resistant steel.<sup>18</sup> Further data including production of micro-alloy corrosion-resistant steel are presented in appendix C.

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<sup>11</sup> American Metal Market, "After a rough ride, galvanized is ready to roll on West Coast," August 22, 2005.

<sup>12</sup> <http://www.chicagotribune.com/business/chi-0611100224nov10,0,7996264.story?coll=chi-business-hed>, retrieved November 13, 2006.

<sup>13</sup> Testimony of Lou Schorsch, Chief Executive Officer of Flat Products Americas for Arcelor Mittal, hearing transcript, p. 128. *See also* American Metal Market, "AK Steel sets 100,000T steel output cut as demand wanes," October 24, 2006, and "USS idling up to 4 furnaces to year-end," November 1, 2006.

<sup>14</sup> Testimony of Douglas Gant, Vice President, Sales and Customer Service, AK, hearing transcript, p. 152.

<sup>15</sup> ThyssenKrupp Steel's importer questionnaire, appendix I-5; hearing transcript, pp. 521-522 (Gruenbage).

<sup>16</sup> American Metal Market, "A \$2.9B surprise announcement sets off sirens across the heartland," August 11, 2006, found at [http://amm.com/2006-08-11\\_21-18-50.html](http://amm.com/2006-08-11_21-18-50.html), retrieved on November 15, 2006. *See also* American Metal Market, "ThyssenKrupp mulling Mobile as plant locale," November 9, 2006, found at [http://amm.com/2006-11-09\\_19-09-49.html](http://amm.com/2006-11-09_19-09-49.html), retrieved on November 15, 2006. American Metal Market noted the availability of Gulf Opportunity Zone financing available for a ThyssenKrupp plant in Alabama. *Ibid.*

<sup>17</sup> \*\*\*.

<sup>18</sup> \*\*\*.

**Table CORE-III-4**

**Corrosion-resistant steel: U.S. capacity, production, and capacity utilization for subject and nonsubject corrosion-resistant steel, 2005, January-June 2005, and January-June 2006**

Item	Calendar year 2005	Jan.-June 2005	Jan.-June 2006
Average production capacity for all subject and nonsubject corrosion-resistant steel (short tons)	26,396,301	13,174,515	13,662,015
Production of subject electrolytic galvanized corrosion-resistant steel (short tons) <sup>1</sup>	2,573,642	1,345,587	1,305,639
Production of subject hot-dip galvanized corrosion-resistant steel (short tons) <sup>2</sup>	16,162,107	7,995,005	9,076,144
Production of other subject corrosion-resistant steel (short tons) <sup>3</sup>	2,153,051	1,032,228	1,191,793
Production of specifically excluded corrosion-resistant steel (short tons)	***	***	***
Production of micro-alloy corrosion-resistant steel (short tons)	***	***	***
Production of other nonsubject alloy and stainless steel corrosion-resistant steel (short tons) <sup>4</sup>	***	***	***
Total production of corrosion-resistant steel	20,888,800	10,372,820	11,573,576
Capacity utilization	79.5	79.0	84.9
<sup>1</sup> Includes AK, Arrow, Canfield, Mittal, Severstal, U.S. Steel. <sup>2</sup> Includes AK, CSI, CSN, Gregory, Mittal, Nucor, Pro-Tec, Severstal, SDI, Steelscape, the Techs, U.S. Steel, USS-POSCO, WCI, Wheeling-Nisshin, Wheeling-Pittsburgh, Winner, Worthington. <sup>3</sup> Includes AK, Apollo, Mittal, Steelscape, Thomas, U.S. Steel, Wheeling-Nisshin. <sup>4</sup> Includes aluminum, zinc-aluminum, nickel, and copper. Source: Compiled from data submitted in response to Commission questionnaires.			

### U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

Data on domestic producers' shipments of corrosion-resistant steel are presented in table CORE-III-5. Over the period for which data were collected, the quantity and value of U.S. producers' U.S. shipments fluctuated, reflecting industry-wide trends. However, after decreasing in 2001, U.S. shipment average unit values increased steadily through 2005. A majority of U.S. shipments was of galvanized, unpainted, corrosion-resistant steel for the non-automotive market.<sup>19</sup> \*\*\* accounted for the majority of internal consumption/transfers to related companies.

<sup>19</sup> Additional details regarding U.S. shipments of corrosion-resistant steel appear in Part CORE-IV.

Table CORE-III-5

Corrosion-resistant steel: U.S. producers' shipments, by type, 2000-05, January-June 2005, and January-June 2006

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Commercial shipments	19,916,350	18,450,288	19,904,725	19,353,863	21,010,427	19,172,077	9,545,833	10,665,457
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	19,916,350	18,450,288	19,904,725	19,353,863	21,010,427	19,172,077	9,545,833	10,665,457
Export shipments	768,345	773,824	773,777	743,837	732,528	868,101	417,280	564,989
Total	20,684,695	19,224,112	20,678,502	20,097,700	21,742,955	20,040,178	9,963,113	11,230,446
<b>Value (1,000 dollars)</b>								
Commercial shipments	10,873,648	9,140,980	10,386,228	10,489,221	14,423,947	13,730,784	7,053,762	7,796,700
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	10,873,648	9,140,980	10,386,228	10,489,221	14,423,947	13,730,784	7,053,762	7,796,700
Export shipments	493,852	484,797	480,139	470,735	490,781	592,133	291,424	390,806
Total	11,367,500	9,625,777	10,866,367	10,959,956	14,914,728	14,322,917	7,345,186	8,187,506
<b>Unit value (per short ton)</b>								
Commercial shipments	\$546	\$495	\$522	\$542	\$687	\$716	\$739	\$731
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	547	496	522	542	687	716	739	731
Export shipments	643	626	621	633	670	682	698	692
Average	551	501	525	545	686	715	737	729

Table continued on next page.

**Table CORE-III-5--Continued**

**Corrosion-resistant steel: U.S. producers' shipments, by type, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Share of quantity (percent)</b>								
Commercial shipments	94.5	93.6	93.5	93.2	93.2	91.6	91.6	91.0
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	96.4	96.1	96.4	96.4	96.8	95.9	96.0	95.2
Export shipments	3.6	3.9	3.6	3.6	3.2	4.1	4.0	4.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Share of value (percent)</b>								
Commercial shipments	93.7	92.6	92.8	92.7	93.3	91.7	91.8	91.2
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	95.7	95.1	95.7	95.8	96.8	96.0	96.2	95.4
Export shipments	4.3	4.9	4.3	4.2	3.2	4.0	3.8	4.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

\*\*\* account for the majority of U.S. exports.<sup>20</sup> Exports as a share of total shipments ranged between 3.2 and 4.1 percent, based on quantity. Most U.S. producers reported that free trade agreements, such as NAFTA, do not affect the character of their operations.<sup>21</sup> Nonetheless, as the following tabulation demonstrates, exports to Canada and Mexico ranged from between 88 and 98 percent of U.S. exports of corrosion-resistant steel.<sup>22 23</sup>

<sup>20</sup> The following firms reported exports: \*\*\*.

<sup>21</sup> \*\*\* reported that if imported material is less costly, customers will consider less costly comparable materials. \*\*\* reported that it competes against NAFTA countries producing corrosion-resistant flat steel and exporting it to the United States. \*\*\* reported that free trade agreements impact market conditions.

<sup>22</sup> To provide public data, this tabulation is based on official export statistics of Commerce for the following HTS statistical reporting numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.90.5000, 7212.20.0000, 7212.30.0000, and 7212.50.0000. While these data are not an exact match with domestic producers' reported exports, Staff believes that they accurately reflect the magnitude and trend in exports to primary markets.

<sup>23</sup> In 2004, Canada rescinded antidumping orders on corrosion-resistant steel from Australia, Brazil, France, Germany, Japan, Korea, New Zealand, Spain, Sweden, the United Kingdom, and the United States. Shipments of corrosion-resistant steel to Canadian auto plants were excluded from the orders in the first sunset review. Canadian interested parties' brief, exhibit 2, pp. 23-30.



Source	2000	2001	2002	2003	2004	2005	January-June 2005	January-June 2006
<b>Quantity (short tons)</b>								
Canada	362,134	294,762	282,061	269,550	382,305	592,578	291,004	306,696
Mexico	329,700	348,474	312,799	223,188	227,155	276,911	119,861	214,396
All others	38,645	27,396	18,958	67,691	20,800	40,981	25,826	12,450
Total	730,479	670,632	613,818	560,429	630,260	910,470	436,691	533,542

### U.S. PRODUCERS' INVENTORIES

Table CORE-III-6 presents data on U.S. producers' inventories of corrosion-resistant steel. U.S. producers maintained inventories equivalent to 7.7 to 9.9 percent of their total shipments over the period 2000-05, and 6.6 percent in January-June 2006. \*\*\* accounted for the majority of the decline in inventories from 2000 to 2005, and \*\*\* accounted for the majority of the decline in June 2006.

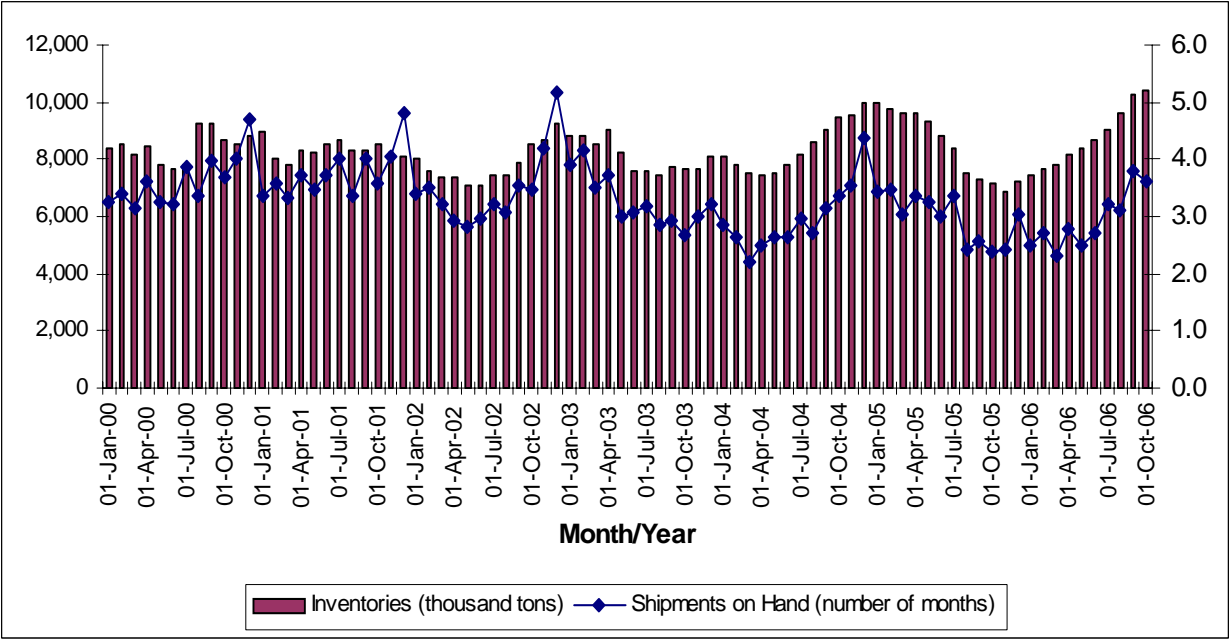
**Table CORE-III-6**

**Corrosion-resistant steel: U.S. producers' inventories, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Inventories	2,086,296	1,900,994	1,939,320	1,855,669	1,745,399	1,701,618	1,682,752	1,543,810
<b>Ratio (percent)</b>								
Ratio to production	9.8	9.7	9.1	9.1	7.8	8.1	8.1	6.7
Ratio to U.S. shipments	10.3	10.0	9.5	9.3	8.0	8.5	8.4	6.9
Ratio to total shipments	9.9	9.6	9.1	8.9	7.7	8.1	8.1	6.6
Source: Compiled from data submitted in response to Commission questionnaires.								

Figure CORE-III-1 also provides information on steel sheet inventories held by U.S. service centers, by months. These data, however, are for all steel sheet and are not limited to corrosion-resistant steel.

**Figure CORE-III-1**  
**Carbon steel sheet: Inventories held by U.S. service centers, by months, January 2000-October 2006<sup>1</sup>**



<sup>1</sup> SSCI data include all sheet, not just corrosion-resistant steel. Also, these inventories include sheet from both domestic and foreign sources.

Source: *Business conditions*, Steel Service Center Institute (Cleveland, OH), October 2006.

**U.S. PRODUCERS’ IMPORTS AND PURCHASES**

One U.S. producer of corrosion-resistant steel, \*\*\*, reported purchases of imported corrosion-resistant steel from subject sources. Two U.S. producers, \*\*\*, reported imports from subject sources.<sup>24</sup> Overall, U.S. producers’ purchases and/or imports were equivalent to \*\*\* percent or less of their production in a given year. Table CORE-III-7 presents data on U.S. producers’ purchases and/or imports of corrosion-resistant steel.

**Table CORE-III-7**  
**Corrosion-resistant steel: U.S. producers’ purchases and imports, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

**U.S. PRODUCERS’ EMPLOYMENT, WAGES, AND PRODUCTIVITY**

Table CORE-III-8 presents data on U.S. producers’ employment, wages, and productivity. Over the period for which data were collected, employment measured by PRWs dropped steadily from 2001 to 2005. \*\*\* accounted for a majority of the decline in employment in 2002, \*\*\* accounted for a majority

<sup>24</sup> \*\*\*.

**Table CORE-III-8**

**Corrosion-resistant steel: U.S. producers' employment, wages, and productivity, 2000-05, January-June 2005, and January-June 2006**

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
Production and related workers (number)	24,546	24,568	20,868	15,211	13,999	13,348	13,248	12,765
Hours worked (1,000)	50,757	44,888	41,018	32,512	31,531	29,927	15,071	15,368
Wages paid (\$1,000)	1,351,324	1,239,246	1,169,095	953,944	1,006,506	960,111	496,212	482,091
Hourly wages	\$26.50	\$27.43	\$28.27	\$29.06	\$31.56	\$31.70	\$32.54	\$30.99
Productivity (short tons per 1,000 hours)	410.1	424.8	506.3	613.4	692.7	681.0	670.2	730.6
Unit labor costs (per short ton)	\$63.83	\$63.55	\$55.01	\$46.72	\$45.03	\$46.06	\$47.96	\$41.74
Source: Compiled from data submitted in response to Commission questionnaires.								

of the decline in 2003, and \*\*\* accounted for a majority of the decrease in 2005.<sup>25</sup> Productivity increased from 2000 to 2004, leveled off in 2005, and increased again in January-June 2006. Unit labor costs decreased from 2000 to 2004, leveled off in 2005, and decreased again in January-June 2006.

\*\*\*.<sup>26</sup> The collective bargaining agreement between AK and its union expired on March 1, 2006. On that day AK locked out its union workers and began operating its Middletown Works using salaried and replacement workers. Negotiations are continuing at this time.<sup>27</sup>

## FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

### Background

Nineteen U.S. producers provided usable financial data on their operations on corrosion-resistant steel.<sup>28 29</sup> These data are believed to account for the majority of U.S. production of corrosion-resistant steel in 2005. While some firms reported internal consumption and/or transfers, the quantity and value of these affiliated party transactions were small, accounting for less than 4.0 percent of total sales (quantity and value) in 2005. Accordingly, these data are not presented separately in this section of the report. In addition, some firms reported tolling operations; however, the quantity and value of such operations were

<sup>25</sup> Employment data were substantially lower in 2003. This stems from the manner in which \*\*\* reported its data. The data \*\*\* reported for 2000-02, and the initial portion of 2003 are \*\*\*. As a result, the \*\*\* cannot reconcile.

<sup>26</sup> USW's response to Commission questions, p. 1.

<sup>27</sup> See, e.g., AK Steel Holding Corporation, *Form 10-Q*, for the quarterly period ended June 30, 2006; American Metal Market, "AK Steel, union negotiators going back to bargaining table next week," November 6, 2006, found at [http://amm.com/2006-11-06\\_15-03-17.html](http://amm.com/2006-11-06_15-03-17.html), retrieved on November 7, 2006.

<sup>28</sup> The firms (and their fiscal year ends if other than December 31) are: AK, Apollo, Canfield, CSI, Mittal, Nucor, Pro-Tec, SDI, Severstal, Steelscape, The Techs, Thomas, U.S. Steel, USS-POSCO, WCI, Wheeling-Nisshin, WPS, Winner, and Worthington (May 31). Commission staff verified the U.S. producers' questionnaire response of \*\*\*, and the results of the verification are incorporated in this report.

<sup>29</sup> \*\*\*, \*\*\*, and \*\*\* did not provide financial data. If these firms were included in the data, they would account for less than 2.0 percent of total net sales (quantity and value) in 2005.

small, accounting for less than 2.0 percent of total net sales (quantity and value) in 2005, and generally were reported inconsistently. These data also are not presented separately in this section of the report.<sup>30</sup>

### Operations on Corrosion-Resistant Steel

Income-and-loss data for U.S. producers on their operations on corrosion-resistant steel are presented in table CORE-III-9. Selected financial data, by firm, are presented in table CORE-III-10. The domestic industry experienced negative operating income in 2001 and 2002 before returning to profitability in 2003. Operating profits improved sharply in 2004, then declined in 2005 and were lower in January-June 2006 than in January-June 2005; however, reported operating income for 2005 was still higher than that reported in 2000-03. Net sales quantities declined from 2000 to 2003 by 3.0 percent, increased from 2003 to 2005 by 5.8 percent, and were 12.2 percent higher in January-June 2006 than in January-June 2005. Net sales values declined from 2000 to 2003 by 5.6 percent, increased from 2003 to 2005 by 40.5 percent, and were 10.8 percent higher in January-June 2006 than in January-June 2005. Ten of the 18 producers operating continuously from 2000 to 2003 reported improved operating profitability while the other eight producers reported diminished operating profitability. As discussed in table CORE-III-10, data for 2003 are impacted by limited available information to \*\*\* regarding \*\*\*.

**Table CORE-III-9**

**Corrosion-resistant steel: Results of operations of U.S. producers, 2000-05, January-June 2005, and January-June 2006**

Item	Fiscal year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Total net sales	20,141,105	19,629,769	20,954,676	19,537,241	22,276,759	20,679,606	10,283,775	11,534,931
<b>Value (\$1,000)</b>								
Total net sales	11,091,856	9,797,243	10,989,071	10,474,476	15,186,936	14,712,596	7,577,331	8,392,791
COGS	10,514,307	9,868,736	10,726,907	9,911,144	13,047,722	13,466,769	6,734,611	7,706,522
Gross profit (loss)	577,549	(71,493)	262,164	563,332	2,139,214	1,245,827	842,720	686,269
SG&A expenses	425,968	413,626	435,988	489,043	494,894	528,038	263,114	253,582
Operating income (loss)	151,581	(485,119)	(173,824)	74,289	1,644,320	717,789	579,606	432,687
Interest expense	270,739	281,791	219,480	197,228	206,004	179,832	81,830	103,018
CDSOA income	0	8,240	5,125	14,416	17,235	6,593	0	0
Other income/(expense)	50,357	6,953	29,850	(23,794)	(65,032)	(102,396)	(46,757)	(48,824)
Net income (loss)	(68,801)	(751,717)	(358,329)	(132,317)	1,390,519	442,154	451,019	280,845
Depreciation	629,990	633,098	557,124	441,823	421,944	404,494	208,758	218,493
Cash flow	561,189	(118,619)	198,795	309,506	1,812,463	846,648	659,777	499,338

Table continued on next page.

<sup>30</sup> \*\*\*, reported only tolling operations. Data for \*\*\*, are included in appendix C, tables C-9 and C-10.

**Table CORE-III-9--Continued**

**Corrosion-resistant steel: Results of operations of U.S. producers, 2000-05, January-June 2005, and January-June 2006**

Item	Fiscal year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Ratio to net sales (percent)</b>								
COGS:								
Raw materials	42.1	45.3	44.4	49.8	51.7	55.6	54.8	58.3
Direct labor	11.3	11.5	9.3	9.8	7.9	7.9	7.7	7.7
Other factory costs	41.4	43.9	43.9	35.0	26.3	28.0	26.4	25.8
Total COGS	94.8	100.7	97.6	94.7	85.9	91.5	88.9	91.8
Gross profit (loss)	5.2	(0.7)	2.4	5.3	14.1	8.5	11.1	8.2
SG&A expenses	3.8	4.2	4.0	4.7	3.3	3.6	3.5	3.0
Operating income (loss)	1.4	(5.0)	(1.6)	0.7	10.8	4.9	7.6	5.2
Net income (loss)	(0.6)	(7.7)	(3.3)	(1.3)	9.2	3.0	6.0	3.3
<b>Unit value (per short ton)</b>								
Total net sales	\$551	\$499	\$524	\$536	\$682	\$711	\$737	\$728
COGS:								
Raw materials	232	226	233	267	352	396	404	424
Direct labor	62	57	49	52	54	56	57	56
Other factory costs	228	219	230	188	179	200	194	188
Total COGS	522	503	512	507	586	651	655	668
Gross profit (loss)	29	(4)	13	29	96	60	82	59
SG&A expenses	21	21	21	25	22	26	26	22
Operating income (loss)	8	(25)	(8)	4	74	35	56	38
Net income (loss)	(3)	(38)	(17)	(7)	62	21	44	24
<b>Number of firms reporting</b>								
Operating losses	5	10	7	6	1	5	2	6
Data	18	19	19	19	19	19	19	19
Source: Compiled from data submitted in response to Commission questionnaires.								

The industry-wide financial results improved sharply from 2003 to 2004. Per-unit operating income substantially improved as the increase in per-unit net sales values (\$146 per short ton) was greater than the combined effects of an increase in unit cost of goods sold ("COGS") (\$78 per short ton) and a decline in selling, general, and administrative ("SG&A") expenses (\$3 per short ton). The 2003 to 2004 improvement in operating income was reflected in 18 of 19 reporting firms' financial data.

The domestic industry's total and per-unit operating income declined from 2004 to 2005 and was lower in January-June 2006 than in January-June 2005; however, 2005 operating income was still higher than in 2000-03. In 2005, the increase in per-unit net sales values (\$30 per short ton) was smaller than the increase in COGS (\$66 per short ton) and SG&A expenses (\$3 per short ton). The overall decline from 2004 to 2005 was experienced by the majority (17 of 19 producers) of the industry.

Per-unit net sales values were lower (\$9 per short ton) while per-unit costs and expenses were higher (\$10 per short ton) in January-June 2006 as compared to January-June 2005. The overall decline in operating income for January-June 2006 as compared to January-June 2005 was reflected in about half (10 of 19 producers) of reporting firms' financial data. From 2003 to 2005, the increase in COGS is due primarily to the increase in raw material costs. During this time, per-unit raw material costs increased by 48 percent, while per-unit direct labor and other factory costs combined increased by 6 percent.<sup>31</sup>

**Table CORE-III-10**

**Corrosion-resistant steel: Results of operations of U.S. producers, by firm, 2000-05, January-June 2005, and January-June 2006**

\*       \*       \*       \*       \*       \*       \*

A variance analysis for corrosion-resistant steel is presented in table CORE-III-11. The information for this variance analysis is derived from table CORE-III-9. The variance analysis provides an assessment of changes in profitability as it relates to changes in pricing, cost, and volume. The analysis shows that the improvement in operating income from 2000 to 2005 is primarily attributable to the higher favorable price variance despite an increased unfavorable net cost/expense variance (prices rose higher than costs and expenses). The lower operating income in January-June 2006 as compared to January-June 2005 is attributable to an unfavorable net cost/expense variance coupled with an unfavorable price variance (prices declined and costs/expenses increased) despite a favorable volume variance.

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<sup>31</sup> Integrated producers of corrosion-resistant steel and any related joint ventures that provided financial data were asked to confirm that inputs from related firms were appropriately accounted for in their reported cost data. All companies except \*\*\* confirmed that such costs were accounted for in the manner requested by the Commission. \*\*\*, \*\*\*, \*\*\* accounted for approximately \*\*\* percent of total sales during the period of review.

**Table CORE-III-11****Corrosion-resistant steel: Variance analysis on operations of U.S. producers, 2000-05, and January-June 2005-06**

Item	Between fiscal years						January-June
	2000-05 <sup>1</sup>	2000-01 <sup>1</sup>	2001-02	2002-03 <sup>1</sup>	2003-04 <sup>1</sup>	2004-05	2005-06
Value (\$1,000)							
Total net sales:							
Price variance	3,324,184	(1,013,016)	530,565	228,738	3,243,726	614,502	(106,422)
Volume variance	296,556	(281,597)	661,263	(743,333)	1,468,734	(1,088,842)	921,882
Total net sales variance	3,620,740	(1,294,613)	1,191,828	(514,595)	4,712,460	(474,340)	815,460
Cost of sales:							
Cost variance	(2,671,347)	378,637	(192,083)	90,164	(1,746,834)	(1,354,516)	(152,557)
Volume variance	(281,115)	266,934	(666,088)	725,599	(1,389,744)	935,469	(819,354)
Total cost variance	(2,952,462)	645,571	(858,171)	815,763	(3,136,578)	(419,047)	(971,911)
Gross profit variance	668,278	(649,042)	333,657	301,168	1,575,882	(893,387)	(156,451)
SG&A expenses:							
Expense variance	(90,681)	1,528	5,556	(82,546)	62,723	(68,626)	41,543
Volume variance	(11,389)	10,814	(27,918)	29,491	(68,574)	35,482	(32,011)
Total SG&A variance	(102,070)	12,342	(22,362)	(53,055)	(5,851)	(33,144)	9,532
Operating income variance	566,208	(636,700)	311,295	248,113	1,570,031	(926,531)	(146,919)
Summarized as:							
Price variance	3,324,184	(1,013,016)	530,565	228,738	3,243,726	614,502	(106,422)
Net cost/expense variance	(2,762,028)	380,165	(186,527)	7,617	(1,684,112)	(1,423,141)	(111,014)
Net volume variance	4,053	(3,848)	(32,743)	11,758	10,417	(117,891)	70,517
<sup>1</sup> ***							
Note.-- Unfavorable variances are shown in parentheses; all others are favorable.							
Source: Compiled from data submitted in response to Commission questionnaires.							

### Capital Expenditures and Research and Development Expenses

The responding firms' aggregate data on capital expenditures and research and development ("R&D") expenses are shown in table CORE-III-12. Aggregate capital expenditures and aggregate R&D expenses irregularly increased from 2000 to 2005 but were lower in January-June 2006 than in January-June 2005. No specific firms accounted for the vast majority of reported capital expenditures during the review period; however, \*\*\* and \*\*\* accounted for the majority of reported R&D expenses during the entire review period. In total, 19 firms reported capital expenditures and seven firms reported R&D expenses.

**Table CORE-III-12****Corrosion-resistant steel: Capital expenditures and research and development expenses of U.S. producers, 2000-05, January-June 2005, and January-June 2006**

Item	Fiscal year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
Value (\$1,000)								
Capital expenditures	295,331	147,966	123,107	256,994	243,622	428,147	175,737	153,316
R&D expenses	15,950	18,603	73,025	27,885	32,190	34,022	16,557	15,957

Source: Compiled from data submitted in response to Commission questionnaires.

## Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of corrosion-resistant steel to compute return on investment ("ROI"). Although ROI can be computed in many different ways, a commonly used method is income divided by total assets. Therefore, ROI is calculated as operating income divided by total assets used in the production, warehousing, and sale of corrosion-resistant steel.

Data on the U.S. corrosion-resistant producers' total assets and their ROI are presented in table CORE-III-13. The total assets utilized in the production, warehousing, and sale of corrosion-resistant steel increased from \$7.8 billion in 2000 to \$10.3 billion in 2005, with the increase in current assets from 2003 to 2004 due mostly to the increases in the prices and costs for corrosion-resistant steel. The ROI was negative in 2001 and 2002, and 2.0 percent or less in 2000 and 2003. The ROI improved to 16.6 percent in 2004, but then decreased to 7.0 percent in 2005.

**Table CORE-III-13**

**Corrosion-resistant steel: Value of assets and return on investment of U.S. producers, 2000-05**

Corrosion-resistant steel: Value of assets and return on investment of U.S. producers, 2000-05						
Item	Fiscal year					
	2000	2001	2002	2003	2004	2005
Value of assets:	Value (\$1,000)					
Current assets:						
Cash and equivalents	124,297	177,744	249,393	177,238	513,659	744,524
Accounts receivable, net	825,578	793,277	852,422	1,068,696	1,388,324	1,287,543
Inventories	1,310,230	1,285,895	1,321,680	1,738,231	2,003,360	2,172,794
Other	230,382	204,319	182,237	184,548	341,481	343,691
Total current assets	2,490,487	2,461,235	2,605,732	3,168,713	4,246,824	4,548,552
Property, plant and equipment:						
Original cost	7,385,041	8,093,523	8,347,262	8,905,087	8,786,635	9,336,873
Less: accumulated depreciation	3,234,953	3,708,503	4,105,185	4,234,788	4,449,989	4,658,686
Equals: book value	4,150,088	4,385,020	4,242,077	4,670,299	4,336,646	4,678,187
Other non-current assets	1,159,795	1,202,419	1,185,199	1,098,834	1,317,525	1,067,123
Total assets	7,800,370	8,048,674	8,033,008	8,937,846	9,900,995	10,293,862
Operating income or (loss) <sup>1</sup>	153,790	(473,279)	(172,333)	87,700	1,638,839	718,025
Share (percent)						
Return on investment <sup>1</sup>	2.0	(5.9)	(2.1)	1.0	16.6	7.0
1 ***.						
Source: Compiled from data submitted in response to Commission questionnaires.						



## PART CORE-IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

### U.S. IMPORTS

Import data in this report are from official Commerce statistics for corrosion-resistant steel. The Commission sent importers' questionnaires to all U.S. producers as well as to 42 firms believed to have imported corrosion-resistant steel between 2000 and 2005, and received usable data from 27 of the firms.<sup>1</sup> Based on official Commerce statistics for imports of corrosion-resistant steel, firms providing usable responses accounted for 82 percent of subject imports from all sources in 2005. The Commission received responses from firms accounting for a substantial share of imports of corrosion-resistant steel from Canada, Germany, and Korea; partial responses with respect to imports from France and Japan; and no responses with respect to imports from Australia.

Table CORE-IV-1 presents information on subject imports of corrosion-resistant steel from each of the subject countries and from all nonsubject countries for the period January 2000 to June 2006.<sup>2</sup> Combined imports of corrosion-resistant steel from the subject countries fluctuated but increased overall during the period for which data were collected. The United States also imported corrosion-resistant steel from other countries (table CORE-IV-2). Nonsubject countries accounted for 63 percent of the quantity and value of U.S. imports of corrosion-resistant steel in 2005.<sup>3 4</sup>

The quantity of corrosion-resistant imports from all sources fluctuated but increased overall from 2000 to 2005. As a share of total imports, subject imports decreased from 44 percent in 2000 to 37 percent in 2005. The average unit values of subject imports of corrosion-resistant steel fell between 2000 and 2001, then increased through 2005, but were lower in January-June 2006 than in January-June 2005.

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<sup>1</sup> Ten firms indicated that they were not importing corrosion-resistant steel.

<sup>2</sup> Consistent with data presented in the first reviews, data for corrosion-resistant steel are compiled from HTS statistical reporting numbers 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, and 7212.50.0000.

<sup>3</sup> India, Taiwan, and Mexico were the largest sources for U.S. imports from nonsubject countries.

<sup>4</sup> Corrosion-resistant steel from Russia was subject to U.S. import restrictions (initially set at 55,000 metric tons) from July 1999 through July 2004. *Presidential Proclamation 7210 of July 22, 1999*, 64 FR 40723, July 27, 1999.

Table CORE-IV-1

Corrosion-resistant steel: U.S. Imports, by source, 2000-05, January-June 2005, and January-June 2006

Source	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Australia	220	176	275	297	119	16	16	3
Canada	380,490	331,774	530,248	552,434	524,711	547,326	281,944	291,356
France	3,608	9,302	15,753	6,530	4,613	1,778	1,728	190
Germany	46,453	23,557	53,479	34,530	31,191	75,941	48,977	20,939
Japan	27,543	17,338	24,304	18,570	19,628	16,762	8,693	11,012
Korea	253,528	235,041	212,413	113,810	201,002	330,858	181,205	272,592
Subtotal, subject	711,842	617,188	836,473	726,171	781,264	972,681	522,563	596,092
All other sources	919,625	933,033	1,325,751	936,741	2,424,153	1,647,998	932,153	1,372,961
Total	1,631,467	1,550,221	2,162,224	1,662,911	3,205,416	2,620,679	1,454,716	1,969,053
<b>Value (1,000 dollars)<sup>1</sup></b>								
Australia	216	228	260	262	123	22	22	4
Canada	208,645	173,957	292,684	331,067	341,546	398,538	207,943	221,845
France	1,543	3,944	8,601	3,848	3,268	1,949	1,745	379
Germany	28,221	13,955	30,585	20,312	17,999	48,634	31,540	14,718
Japan	23,072	15,273	30,092	20,206	19,464	19,054	9,959	13,684
Korea	140,605	123,305	122,919	77,195	156,934	285,156	157,308	206,273
Subtotal, subject	402,301	330,662	485,142	452,890	539,333	753,352	408,519	456,903
All other sources	481,017	420,783	647,862	515,137	1,808,700	1,286,429	763,351	926,215
Total	883,318	751,445	1,133,004	968,027	2,348,033	2,039,782	1,171,870	1,383,118
<b>Unit value (per short ton)</b>								
Australia	\$981	\$1,292	\$945	\$883	\$1,039	\$1,348	\$1,348	\$1,596
Canada	548	524	552	599	651	728	738	761
France	428	424	546	589	708	1,096	1,010	1,996
Germany	608	592	572	588	577	640	644	703
Japan	838	881	1,238	1,088	992	1,137	1,146	1,243
Korea	555	525	579	678	781	862	868	757
Subaverage, subject	565	536	580	624	690	775	782	766
All other sources	523	451	489	550	746	781	819	675
Average	541	485	524	582	733	778	806	702

Table continued on next page.

Table CORE-IV-1--Continued

Corrosion-resistant steel: U.S. Imports, by source, 2000-05, January-June 2005, and January-June 2006

Source	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Share of quantity (percent)</b>								
Australia	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Canada	23.3	21.4	24.5	33.2	16.4	20.9	19.4	14.8
France	0.2	0.6	0.7	0.4	0.1	0.1	0.1	( <sup>2</sup> )
Germany	2.8	1.5	2.5	2.1	1.0	2.9	3.4	1.1
Japan	1.7	1.1	1.1	1.1	0.6	0.6	0.6	0.6
Korea	15.5	15.2	9.8	6.8	6.3	12.6	12.5	13.8
Subtotal, subject	43.6	39.8	38.7	43.7	24.4	37.1	35.9	30.3
All other sources	56.4	60.2	61.3	56.3	75.6	62.9	64.1	69.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Share of value (percent)</b>								
Australia	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Canada	23.6	23.1	25.8	34.2	14.5	19.5	17.7	16.0
France	0.2	0.5	0.8	0.4	0.1	0.1	0.1	( <sup>2</sup> )
Germany	3.2	1.9	2.7	2.1	0.8	2.4	2.7	1.1
Japan	2.6	2.0	2.7	2.1	0.8	0.9	0.8	1.0
Korea	15.9	16.4	10.8	8.0	6.7	14.0	13.4	14.9
Subtotal, subject	45.5	44.0	42.8	46.8	23.0	36.9	34.9	33.0
All other sources	54.5	56.0	57.2	53.2	77.0	63.1	65.1	67.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Ratio of import quantity to U.S. production (percent)</b>								
Australia	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Canada	1.8	1.7	2.5	2.9	2.4	2.7	2.8	2.6
France	( <sup>2</sup> )	( <sup>2</sup> )	0.1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Germany	0.2	0.1	0.3	0.2	0.1	0.4	0.5	0.2
Japan	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Korea	1.2	1.2	1.0	0.6	0.9	1.6	1.8	2.4
Subtotal, subject	3.4	3.2	4.0	3.8	3.6	4.8	5.2	5.3
All other sources	4.4	4.8	6.4	4.9	11.1	8.1	9.2	12.2
Total	7.7	8.0	10.4	8.6	14.7	12.8	14.4	17.4
<sup>1</sup> Landed, duty paid. <sup>2</sup> Less than 0.05 percent.								
Source: Compiled from official statistics of Commerce.								

U.S. imports from Canada under HTS statistical reporting number 7210.70.6090 reportedly include imports of nonsubject lacquered tinplate.<sup>5</sup> The following tabulation presents the quantity and value of imports from Canada of corrosion-resistant steel other than entries under this statistical reporting number.

Source	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Canada	320,658	280,905	453,871	455,775	424,776	464,303	232,960	259,622
<b>Value (\$1,000)</b>								
Canada	155,625	127,199	224,428	248,948	260,249	305,620	153,466	185,635

**Table CORE-IV-2**

**Corrosion-resistant steel: U.S. imports from nonsubject countries, by source, 2000-05, January-June 2005, and January-June 2006**

Source	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Argentina <sup>1</sup>	81,866	72,516	61,662	56,255	66,542	52,958	28,588	5,220
Brazil	22,105	21,375	79,935	49,355	243,659	181,539	115,995	136,867
China	17,280	50,899	15,262	134	175,860	147,794	102,280	292,426
India <sup>1</sup>	25,976	53,163	406,550	207,935	716,065	401,048	218,160	397,435
Mexico <sup>2</sup>	282,730	204,257	307,760	294,052	337,012	265,330	142,081	95,041
South Africa <sup>1</sup>	48,774	33,323	49,052	39,450	77,564	67,221	27,663	56,716
Taiwan	194,139	232,929	151,446	67,282	406,394	341,598	209,529	282,815
All others	246,755	264,571	254,085	222,277	401,056	190,510	87,857	106,441
Total	919,625	933,033	1,325,751	936,741	2,424,153	1,647,998	932,153	1,372,961

<sup>1</sup> Country not subject to safeguard measures.

<sup>2</sup> Member of free trade agreement; safeguard measures not applied.

Note.--Highlighted years indicate the period of time during which increased tariffs were in effect pursuant to the U.S. safeguard measure on steel.

Source: Compiled from official statistics of Commerce.

Importers from Canada, Germany, Japan, and Korea reported arrangements for the importation of corrosion-resistant steel for delivery after June 30, 2006. These data are presented in table CORE-IV-3.

**Table CORE-IV-3**

**Corrosion-resistant steel: Arrangements for importation after June 30, 2006**

\* \* \* \* \*

## CUMULATION CONSIDERATIONS

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographic markets, (3) common

<sup>5</sup> Dofasco's posthearing brief, response to Commission questions, pp. 21-22.

or similar channels of distribution, and (4) simultaneous presence in the market. Fungibility considerations and channels of distribution are discussed in Parts CORE-I and CORE-II of this report; additional information regarding fungibility, geographic markets, and presence in the market is discussed below.

### Fungibility

Tables CORE-IV-4, CORE-IV-5, and CORE-IV-6 examine U.S. shipments of domestically produced and imported corrosion-resistant steel. The tables present data regarding the intended application, nature of the coating, and paint status of the corrosion-resistant steel, by source.

#### CORE-IV-4

**Corrosion-resistant steel: U.S. producers' and U.S. importers' U.S. shipments, by application, 2005, January-June 2005, and January-June 2006**

Item	2005	January-June 2005	January-June 2006
<b>Quantity (<i>short tons</i>)</b>			
U.S. producers' U.S. shipments:			
Exposed (automotive)	2,904,896	1,503,425	1,519,830
Unexposed (automotive)	4,329,212	2,224,560	2,270,820
Other	12,831,555	6,271,278	7,368,930
Total	20,065,663	9,999,263	11,159,580
U.S. importers' U.S. shipments:			
* * * * *			
Source: Compiled from data submitted in response to Commission questionnaires.			

#### CORE-IV-5

**Corrosion-resistant steel: U.S. producers' and U.S. importers' U.S. shipments, by form, 2005, January-June 2005, and January-June 2006**

Item	2005	January-June 2005	January-June 2006
<b>Quantity (<i>short tons</i>)</b>			
U.S. producers' U.S. shipments:			
Galvanized	14,258,622	7,054,651	8,005,746
Galvannealed	3,239,494	1,668,632	1,725,247
Other	2,567,637	1,272,341	1,428,586
Total	20,065,753	9,995,624	11,159,579
U.S. importers' U.S. shipments:			
* * * * *			
Source: Compiled from data submitted in response to Commission questionnaires.			

**CORE-IV-6**

**Corrosion-resistant steel: U.S. producers' and U.S. importers' U.S. shipments, by paint status, 2005, January-June 2005, and January-June 2006**

Item	2005	January-June 2005	January-June 2006
<b>Quantity (<i>short tons</i>)</b>			
U.S. producers' U.S. shipments:			
Prepainted	564,225	258,916	305,500
Toll-painted	395,029	181,357	215,393
Sold unpainted <sup>1</sup>	19,106,410	9,559,172	10,638,686
Total <sup>1</sup>	20,065,664	9,999,445	11,159,579
U.S. importers' U.S. shipments:			
* * * * *			
Source: Compiled from data submitted in response to Commission questionnaires.			

### Geographic Markets

As noted previously, corrosion-resistant steel production occurs throughout the United States, and corrosion-resistant steel is shipped nationwide. Information summarizing national and regional markets and the shipment of corrosion-resistant steel is presented in Part CORE-II. Of the corrosion-resistant steel imported into the United States from the subject countries from January 2000 to June 2006, the top ten Customs districts accounted for nearly all entries. As illustrated in table CORE-IV-7, the Detroit, MI, Customs district accounted for nearly one-half of subject imports.<sup>6</sup>

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<sup>6</sup> Official Commerce statistics measure imports at the port of entry; material imported into one district, however, may be shipped to another geographic region.

**Table CORE-IV-7****Corrosion-resistant steel: U.S. imports from subject countries, by Customs district, January 2000-June 2006**

Customs district	Australia <sup>1</sup>	Canada	France	Germany	Japan <sup>2</sup>	Korea	Total	Share of total
<b>Quantity (short tons)</b>								
Detroit, MI	18	2,227,333	15,955	134,137	2,907	4,198	2,384,547	45.5
Buffalo, NY	0	907,663	16,212	150	20	106	924,150	17.6
Houston-Galveston, TX	65	14	1,923	3,251	2,688	306,684	314,625	6.0
Los Angeles, CA	52	0	185	601	25,292	271,229	297,360	5.7
New Orleans, LA	0	14	11	7	9,561	284,872	294,465	5.6
Philadelphia, PA	0	0	4,389	53,772	10,190	122,165	190,516	3.6
Mobile, AL	0	190	0	22,294	0	165,756	188,240	3.6
Savannah, GA	40	0	493	52,276	26,357	90,812	169,979	3.2
Charlotte, NC	0	0	2	2,051	1,087	102,368	105,508	2.0
Columbia-Snake, OR	0	0	6	0	214	91,549	91,768	1.8
All others	930	23,125	2,600	17,551	56,841	179,506	280,553	5.4
Total	1,106	3,158,339	41,774	286,090	135,157	1,619,244	5,241,710	100.0

<sup>1</sup> The primary "other" ports of entry for corrosion-resistant steel from Australia were Dallas-Fort Worth, TX, and the U.S. Virgin Islands.

<sup>2</sup> The primary "other" ports of entry for corrosion-resistant steel from Japan were Cleveland, OH, and San Francisco, CA.

Source: Compiled from official statistics from Commerce.

### Presence in the Market

Table CORE-IV-8 presents information on the monthly presence of subject imports.

**Table CORE-IV-8****Corrosion-resistant steel: U.S. imports, monthly entries into the United States, by source, 2000-05 and January-June 2006**

Quantity (short tons)													
Source	Month												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2000													
Australia	3	0	0	0	0	9	0	36	0	170	2	0	220
Canada	31,793	32,820	37,015	34,912	41,673	34,810	27,124	30,538	25,398	30,957	30,085	23,365	380,490
France	90	33	19	150	85	328	397	301	433	644	172	958	3,608
Germany	5,098	4,422	3,305	6,842	2,907	3,722	1,589	5,607	2,330	5,435	2,494	2,703	46,453
Japan	3,562	1,811	1,064	3,112	2,822	4,081	2,192	1,182	3,697	2,171	1,171	680	27,543
Korea	30,790	20,132	21,856	26,714	15,393	19,618	17,169	18,174	22,341	19,978	18,824	22,539	253,528
2001													
Australia	61	14	0	8	4	0	7	0	0	10	73	0	176
Canada	30,134	25,760	25,285	24,163	25,482	24,589	32,787	28,009	27,304	32,743	33,066	22,452	331,774
France	694	606	1,310	189	1,287	1,022	871	696	734	727	390	775	9,302
Germany	619	1,263	1,693	4,198	3,644	510	2,880	961	2,030	2,787	2,772	198	23,557
Japan	2,140	1,209	1,636	1,994	280	2,540	425	1,188	1,189	2,151	1,078	1,508	17,338
Korea	16,995	15,603	21,332	24,917	12,362	16,948	32,131	12,738	24,754	8,798	24,480	23,984	235,041

Table continued on next page.

**Table CORE-IV-8--Continued**

**Corrosion-resistant steel: U.S. imports, monthly entries into the United States, by source, 2000-05 and January-June 2006**

Quantity (short tons)													
Source	Month												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2002													
Australia	2	0	0	0	0	272	1	0	0	0	0	0	275
Canada	36,848	31,132	38,390	41,441	41,069	44,348	46,724	51,938	53,976	52,979	47,404	44,000	530,248
France	332	1,485	1,941	747	823	856	2,446	2,519	1,129	1,147	841	1,488	15,753
Germany	6,414	3,330	1,814	2,745	138	4,814	3,057	3,570	9,205	4,936	7,892	5,565	53,479
Japan	1,058	859	1,386	1,243	1,235	1,457	4,255	6,384	1,067	2,107	1,254	2,000	24,304
Korea	36,057	39,152	6,121	3,337	7,682	6,230	14,794	20,293	19,848	18,846	18,124	21,930	212,413
2003													
Australia	0	46	0	0	0	0	0	7	0	179	56	8	297
Canada	60,578	54,213	49,413	52,888	45,942	40,359	41,099	37,879	51,533	48,077	36,431	34,022	552,434
France	1,284	771	1,362	1,378	1,227	286	141	62	0	11	8	0	6,530
Germany	381	2,084	615	10,049	2,867	4,426	1,822	5,653	2,823	1,310	1,813	687	34,530
Japan	1,422	2,293	2,306	3,864	933	1,343	1,954	1,448	731	665	808	801	18,570
Korea	6,736	14,328	10,863	11,748	16,635	4,219	20,178	5,261	9,649	363	9,772	4,059	113,810
2004													
Australia	0	0	15	0	14	15	0	0	27	0	47	0	119
Canada	38,323	43,805	50,978	50,256	44,843	45,899	42,070	44,858	44,472	37,207	40,618	41,383	524,711
France	871	51	23	10	249	371	2,977	20	0	22	8	11	4,613
Germany	848	2,658	2,007	878	2,423	2,400	2,406	3,858	4,602	1,209	3,520	4,382	31,191
Japan	1,206	1,333	999	1,565	705	4,313	798	1,349	306	2,720	2,738	1,598	19,628
Korea	882	2,513	4,026	6,130	7,460	20,138	19,552	18,153	30,408	22,050	26,514	43,175	201,002
2005													
Australia	0	0	16	0	0	0	0	0	0	0	0	0	16
Canada	45,730	45,629	49,010	47,159	46,713	47,703	37,711	51,243	44,766	45,922	48,056	37,684	547,326
France	3	1,231	476	6	8	4	18	17	0	4	7	4	1,778
Germany	3,936	6,096	6,487	8,240	7,367	16,852	3,153	6,177	9,303	4,087	901	3,343	75,941
Japan	2,751	1,129	1,087	1,216	1,609	901	915	1,646	344	2,720	684	1,760	16,762
Korea	27,901	33,061	21,420	52,716	18,569	27,538	17,419	19,589	22,119	36,275	33,791	20,460	330,858
2006													
Australia	0	0	0	0	3	0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	3
Canada	49,648	44,659	49,953	44,852	51,078	51,165	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	291,356
France	73	15	9	60	28	5	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	190
Germany	2,042	7,687	3,772	2,787	3,740	911	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	20,939
Japan	1,261	2,286	2,628	1,911	1,450	1,478	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	11,012
Korea	44,686	46,143	44,677	35,138	32,080	69,868	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	272,592
<sup>1</sup> Data not presented for July-September and not available for October-December.													
Source: Compiled from official statistics of Commerce.													

## U.S. IMPORTERS' INVENTORIES

Table CORE-IV-9 presents information on U.S. importers' inventories. Imports from Germany and Korea accounted for the largest share of subject imports. There were no reported inventories of corrosion-resistant steel from Australia or France.



**Table CORE-IV-9**

**Corrosion-resistant steel: U.S. importers' inventories, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

## **THE INDUSTRY IN AUSTRALIA**

### **Overview**

The Commission identified one Australian producer of corrosion-resistant steel - BHP - in the original investigations and two such producers - BHP and Palmer Tube Mills (a subsidiary of Smorgon Steel Group) - in the first reviews.<sup>7</sup> In the current second reviews, the Commission issued questionnaires to two Australian firms believed to be producers of corrosion-resistant steel and received data from one - BlueScope Steel.<sup>8</sup> In March 2001, BHP announced that BlueScope was to be spun out as a separate Australian publicly listed company.<sup>9</sup> In July 2002, BlueScope was listed on the Australian Stock Exchange. BlueScope reported that it is the only producer of corrosion-resistant steel in Australia.<sup>10</sup> In the most recent fiscal year, sales of corrosion-resistant steel represented \*\*\* percent of BlueScope's total sales.<sup>11</sup> Table CORE-IV-10 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table CORE-IV-10**

**Corrosion-resistant steel: Comparison of select Australian industry data, 1992, 1999, and 2005**

\* \* \* \* \*

As noted above, the Australian industry producing corrosion-resistant steel continues to consist of a single dominant producer. BlueScope reported \*\*\* operational or organizational changes since January 1, 2000,<sup>12</sup> and reported \*\*\*.<sup>13</sup>

### **Corrosion-Resistant Steel Operations**

Table CORE-IV-11 presents the BlueScope's capacity, production, and capacity utilization, by type, since 2000. BlueScope reported production of hot-dip galvanized corrosion-resistant steel only. Table CORE-IV-12 presents BlueScope's capacity, production, shipments, and inventories of corrosion-resistant steel for 2000-05 as well as interim (January-June) 2005 and 2006. BlueScope reported that the outstanding orders \*\*\*.<sup>14</sup> While the specific data are confidential, in general Australian capacity was stable and production declined irregularly during 2000-05, but both were higher in January-June 2006 than in January-June 2005. Capacity utilization fluctuated over the period for which data were collected,

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<sup>7</sup> USITC Publication 2664, p. I-96; USITC Publication 3364, p. CORROSION-IV-1.

<sup>8</sup> \*\*\*. BlueScope's posthearing brief, pp. 11-12.

<sup>9</sup> Found at [bluescopesteel.com](http://bluescopesteel.com), retrieved on September 1, 2006.

<sup>10</sup> BlueScope's prehearing brief, p. 1. BlueScope further reported that to the best of its knowledge, Palmer Tube never produced subject corrosion-resistant steel. Likewise, \*\*\* identifies BlueScope as the sole producer in Australia. \*\*\*.

<sup>11</sup> BlueScope's foreign producer questionnaire, section II-10.

<sup>12</sup> BlueScope's foreign producer questionnaire, section II-1.

<sup>13</sup> BlueScope's foreign producer questionnaire, section II-2.

<sup>14</sup> BlueScope's foreign producer questionnaire, section II-15 and II-16. BlueScope \*\*\*.

but was highest in January-June 2006.<sup>15</sup> \*\*\*.<sup>16 17</sup> BlueScope reported that its production was adversely affected by a strike in 2002, an industrial dispute at its Westernport facility in late 2004 and early 2005, and a fire at Westernport in 2005 which resulted in a 12-week repair.<sup>18</sup> As discussed in greater detail below, BlueScope reportedly \*\*\*.<sup>19</sup>

**Table CORE-IV-11**

**Corrosion-resistant steel: Australia's capacity, production, and capacity utilization, by type, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CORE-IV-12**

**Corrosion-resistant steel: Australia's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

In general, BlueScope's shipments of corrosion-resistant steel decreased in 2001, then increased from 2002 to 2004, before declining in 2005. January-June 2006 shipments were greater than those in January-June 2005. BlueScope's inventories generally increased over the period.<sup>20</sup> The majority of BlueScope's shipments were home market sales, but a \*\*\* minority were exports.<sup>21</sup> BlueScope reported that it largely produces premium building construction materials.<sup>22 23</sup> Reported exports to the United States were \*\*\*; export markets other than the United States include \*\*\*. Australian exports of corrosion-resistant steel are subject to a 79 percent tariff in South Africa, and a 70 percent tariff in Argentina. The South African order is only on painted corrosion-resistant steel.<sup>24</sup> Free trade agreements reportedly \*\*\*.<sup>25</sup>

Presented in the tabulation below are BlueScope's exports of corrosion-resistant steel to Canada.<sup>26</sup> Canada's dumping order on corrosion-resistant steel from Australia was lifted in 2004.

\* \* \* \* \*

As shown in table CORE-IV-13, a \*\*\* majority of BlueScope's shipments of corrosion-resistant steel is sold for non-automotive applications. In addition, as shown in table CORE-IV-14, a majority of BlueScope's shipments of corrosion-resistant steel is neither galvanized nor galvanized, although a \*\*\*

<sup>15</sup> BlueScope reported that \*\*\*.

<sup>16</sup> BlueScope's posthearing brief, p. 5.

<sup>17</sup> BlueScope's operations include \*\*\*.

<sup>18</sup> BlueScope's posthearing brief, p. 3.

<sup>19</sup> BlueScope reported that \*\*\*. BlueScope's foreign producer questionnaire, section II-11.

<sup>20</sup> BlueScope \*\*\*. BlueScope's foreign producer questionnaires, section II-12.

<sup>21</sup> As a result of the subject orders, BlueScope \*\*\*. BlueScope's foreign producer questionnaire, section II-14.

<sup>22</sup> BlueScope's posthearing brief, p. 7.

<sup>23</sup> In April 2004, BlueScope acquired Butler Manufacturing Company. Butler is the market leader in both the United States and China for pre-engineered steel building systems. BlueScope's posthearing brief, attachments 1 and 3.

<sup>24</sup> BlueScope's posthearing brief, p. 9.

<sup>25</sup> BlueScope's foreign producer questionnaire, section I-7.

<sup>26</sup> \*\*\*.

minority is galvanized. Finally, as shown in table CORE-IV-15, a majority of BlueScope's shipments of corrosion-resistant steel is sold unpainted, with a minority sold pre-painted but with \*\*\* reported sales of toll-painted corrosion-resistant steel.

**CORE-IV-13**

**Corrosion-resistant steel: Australian producer's total shipments, by application, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**CORE-IV-14**

**Corrosion-resistant steel: Australian producer's total shipments, by form, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**CORE-IV-15**

**Corrosion-resistant steel: Australian producer's total shipments, by paint status, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Alternative Products**

As shown in table CORE-IV-16, all of the corrosion-resistant steel production by BlueScope is subject merchandise. As noted previously, BlueScope produces only hot-dip galvanized steel.

**Table CORE-IV-16**

**Corrosion-resistant steel: Australian producer's overall capacity and production, by type of steel, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**THE INDUSTRY IN CANADA**

**Overview**

The Commission identified two Canadian producers of corrosion-resistant steel - Dofasco and Stelco - in the original investigations, and three such producers - Dofasco (including its joint-venture DNN), Sorevco, and Stelco - in the first reviews.<sup>27</sup> In the current second reviews, the Commission issued questionnaires to four Canadian firms believed to be producers of corrosion-resistant steel and received

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<sup>27</sup> USITC Publication 2664, p. I-106; USITC Publication 3364, p. CORROSION-IV-5.

data from three: Dofasco,<sup>28 29</sup> Sorevco,<sup>30</sup> and Stelco.<sup>31</sup> According to \*\*\*, responding Canadian producers represent \*\*\* percent of the corrosion-resistant steel capacity in Canada.<sup>32</sup> The responding firm's share of 2005 Canadian production of corrosion-resistant steel and the share of their most recent fiscal year sales represented by corrosion-resistant steel are presented in table CORE-17. Table CORE-IV-18 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table CORE-IV-17**

**Corrosion-resistant steel: Canadian producers' share of 2005 production and share of firms' most recent fiscal year sales represented by corrosion-resistant steel.**

\* \* \* \* \*

**Table CORE-IV-18**

**Corrosion-resistant steel: Comparison of select Canadian industry data: 1992, 1999, and 2005**

\* \* \* \* \*

As noted above, the composition of the Canadian industry producing corrosion-resistant steel has changed over time. In addition, two producers reported several operational or organizational changes since January 1, 2000,<sup>33</sup> but reported anticipating no operational or organizational changes in the future.<sup>34</sup> Stelco was reorganized in March 2006. Dofasco \*\*\*, at its new joint venture DoSol Galva. This line was \*\*\* percent owned by Dofasco and \*\*\* percent by Arcelor. The line \*\*\*.

### Corrosion-Resistant Steel Operations

Table CORE-IV-19 presents the Canadian industry's capacity, production, and capacity utilization, by type, since 2000. The majority of Canadian producers' capacity is hot-dip galvanized, with a small minority of "other" corrosion-resistant steel capacity. Table CORE-IV-20 presents the Canadian industry's capacity, production, shipments, and inventories of corrosion-resistant steel for 2000-05 as

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<sup>28</sup> Arcelor purchased 100 percent of Dofasco on March 1, 2006. On July 26, 2006, Mittal announced that 92 percent of Arcelor's shareholders had accepted Mittal's offer to purchase Arcelor's shares. Previously, Mittal had offered Dofasco to ThyssenKrupp if Mittal purchased Arcelor, but it is unknown at this time whether Dofasco will be sold or remain part of the Mittal group. The U.S. Department of Justice has required, as part of its antitrust review, that Arcelor-Mittal divest itself of Dofasco, or some other specified Mittal facility. Canadian interested parties' prehearing brief, p. 44. Dofasco imports subject corrosion-resistant steel into the United States, and Arcelor has a subsidiary that imports subject corrosion-resistant steel into the United States.

<sup>29</sup> \*\*\*.

<sup>30</sup> Sorevco began production of corrosion-resistant steel in 1991. Sorevco is a joint venture between Dofasco and Mittal.

<sup>31</sup> Stelco's questionnaire covers Stelco, Hamilton Steel, and Baycoat. Stelco imports subject corrosion-resistant steel into the United States.

<sup>32</sup> \*\*\*. The remaining capacity is electrogalvanizing capacity operated by Metal Koting CCC, Ltd. Ibid.

<sup>33</sup> Canadian foreign producer questionnaires, section II-1.

<sup>34</sup> Canadian foreign producer questionnaires, section II-2.

**Table CORE-IV-19**

**Corrosion-resistant steel: Canada's capacity, production, and capacity utilization, by type, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CORE-IV-20**

**Corrosion-resistant steel: Canada's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

well as interim (January-June) 2005 and 2006.<sup>35</sup> Dofasco is the major exporter of Canadian corrosion-resistant steel to the United States, and approximately \*\*\* of its U.S. exports are to the automotive sector.<sup>36</sup> Dofasco reported that \*\*\*.<sup>37 38 39</sup> \*\*\*. However, because Toyota is opening a new factory in Ontario, near Dofasco's mill, Dofasco's business plan calls for a \*\*\*.<sup>40</sup>

\*\*\* of the Canadian producers reported that the outstanding orders had any significant impact on its capacity, production, shipments, export markets, or inventories, \*\*\* expect that the character of its operations would change if the orders were revoked.<sup>41</sup> In general Canadian capacity and production fluctuated during the period for which data were collected but increased overall, while capacity utilization ranged from \*\*\* percent to \*\*\* percent. Dofasco reported that its capacity is determined at the start of each year and is based on \*\*\*.<sup>42</sup> Stelco's corrosion-resistant steel is made on \*\*\*. The major production input is \*\*\*.<sup>43</sup> As discussed in greater detail below, only Dofasco reported producing other products on the same equipment, or using the same production and related workers, used to produce corrosion-resistant steel.<sup>44</sup>

In general, the Canadian mills' shipments of corrosion-resistant steel increased during the period for which data were collected; total inventories also increased but declined as a share of total shipments.<sup>45</sup> The majority of the Canadian mills' shipments were home market sales, but a small minority were

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<sup>35</sup> The Canadian producers' data for 2000-03 do not include National's 50-percent share of the DNN/DJG line. Dofasco believes National's share of the capacity was \*\*\* short tons. Canadian respondent interested parties' posthearing brief, Answer to Commissioners' Questions, p. 36, fn. 62.

<sup>36</sup> Canadian respondent interested parties' posthearing brief, p. 28.

<sup>37</sup> \*\*\*. Canadian respondent interested parties' prehearing brief, p. 5.

<sup>38</sup> Canadian interested parties' prehearing brief, p. 19.

<sup>39</sup> Canadian interested parties' prehearing brief, p. 19-20

<sup>40</sup> Canadian respondent interested parties' posthearing brief, p. 9.

<sup>41</sup> Sorevco and Stelco did not report having a business plan or any internal documents that describe, discuss, or analyze future market conditions or market conditions if the subject orders were revoked. Dofasco provided a business plan for 2006-07.

<sup>42</sup> Dofasco's capacity constraint is \*\*\*. Sorevco's capacity constraints are \*\*\*.

<sup>43</sup> In some limited applications, \*\*\*. For prepainted applications, \*\*\*. Stelco's constraints are \*\*\*.

<sup>44</sup> Dofasco produces micro-alloy corrosion-resistant steel.

<sup>45</sup> \*\*\* maintained inventories of corrosion-resistant steel in the United States. Canadian foreign producer questionnaires, section II-12.

exports, primarily to the United States<sup>46</sup> and secondarily to Mexico. Presented in the tabulation below are \*\*\* exports of corrosion-resistant steel to Mexico.<sup>47</sup>

\* \* \* \* \*

Canadian exports of corrosion-resistant steel are not subject to any tariff or nontariff barriers in any countries, nor are they subject to current investigations.<sup>48</sup> Dofasco and Stelco reported that NAFTA had a “\*\*\*” impact on their operations.<sup>49</sup> The deep integration of the North American auto companies has significantly integrated the U.S.-Canada steel market.<sup>50</sup>

The majority of Canadian mills’ shipments of corrosion-resistant steel is sold for non-automotive applications. As shown in table CORE-IV-21, automotive sales are predominantly for unexposed automobile parts. In addition, as shown in table CORE-IV-22, a \*\*\* majority of the Canadian mills’ shipments of corrosion-resistant steel are galvanized, rather than galvanized or otherwise coated. Finally, as shown in table CORE-IV-23, a \*\*\* majority of Canadian mills’ shipments of corrosion-resistant steel is sold unpainted, with a minority sold pre-painted but with minimal reported sales of toll-painted corrosion-resistant steel.

#### **CORE-IV-21**

**Corrosion-resistant steel: Canadian producers’ total shipments, by application, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

#### **CORE-IV-22**

**Corrosion-resistant steel: Canadian producers’ total shipments, by form, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

#### **CORE-IV-23**

**Corrosion-resistant steel: Canadian producers’ total shipments, by paint status, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

### **Alternative Products**

As shown in table CORE-IV-24, the majority of corrosion-resistant steel production by Canadian mills is subject merchandise, primarily hot-dip galvanized steel. Nonetheless, Dofasco reported production of micro-alloy steel and, to a lesser extent, other forms of nonsubject merchandise on the same equipment used to produce subject corrosion-resistant steel. With respect to micro-alloy corrosion-resistant steel, table CORE-IV-25 presents the Canadian industry’s capacity, production, shipments, and inventories of such corrosion-resistant steel for 2000-05 as well as interim (January-June) 2005 and 2006. Except during 2001, total shipments remained relatively stable, as declining home market shipments were largely offset by exports to the United States.

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<sup>46</sup> \*\*\* reported developing or increasing sales to non-U.S. export markets as a result of the subject orders. Canadian foreign producer questionnaires, section II-14.

<sup>47</sup> \*\*\*.

<sup>48</sup> Canadian foreign producer questionnaires, section I-13.

<sup>49</sup> Duferco and Stelco’s foreign producer questionnaires, section I-7.

<sup>50</sup> Canadian respondent interested parties’ posthearing brief, pp. 55-59.

**Table CORE-IV-24**

**Corrosion-resistant steel: Canadian producers' overall capacity and production, by type of steel, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CORE-IV-25**

**Corrosion-resistant micro-alloy steel: Canada's capacity, production, inventories, and shipments, 2000-05 January-June 2005, and January-June 2006**

\* \* \* \* \*

## THE INDUSTRY IN FRANCE

### Overview

The Commission identified two French producers of corrosion-resistant steel - Paturle Aciers and Usinor Sacilor - in the original investigations, and four such producers - Atlantique, Beautor, Haironville, and Lorraine - in the first reviews.<sup>51</sup> In the current second reviews, the Commission issued questionnaires to two French firms believed to be producers of corrosion-resistant steel and received data from both, Arcelor (France)<sup>52</sup> and Duferco.<sup>53</sup> According to \*\*\*, responding French producers represent all of the corrosion-resistant steel capacity in France.<sup>54</sup> The responding firms' shares of 2005 French production of corrosion-resistant steel and the shares of their most recent fiscal year sales represented by corrosion-resistant steel are presented in table CORE-IV-26. Table CORE-IV-27 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table CORE-IV-26**

**Corrosion-resistant steel: French producers' shares of 2005 production and shares of firms' most recent fiscal year sales represented by corrosion-resistant steel**

\* \* \* \* \*

**Table CORE-IV-27**

**Corrosion-resistant steel: Comparison of select French industry data, 1992, 1999, and 2005**

\* \* \* \* \*

As noted above, the composition of the French industry producing corrosion-resistant steel has changed over time. In addition, as described below, French producers reported several operational or organizational changes since January 1, 2000,<sup>55</sup> but reported anticipating no such changes in the future.<sup>56</sup> Arcelor was created in February 2002 as a merger of three companies, formerly known as Arbed,

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<sup>51</sup> USITC Publication 2664, p. I-106; USITC Publication 3364, p. CORROSION-IV-5.

<sup>52</sup> Plants include Sollac Atlantique and Sollac Lorraine. Arcelor (France) has related firms that produce corrosion-resistant steel in Belgium, Brazil, Canada, China, Germany, Italy, Luxembourg, Spain, and Turkey. Arcelor (France) has a related firm, Arcelor International America, which imports subject product into the United States.

<sup>53</sup> Plants include Duferco Coating and Duferco Sorral. Duferco has a related company, Duferco Steel Processing, located in South Africa, which produces corrosion-resistant steel. Duferco has a related company Duferco Steel, located in New Jersey, which \*\*\*.

<sup>54</sup> \*\*\*.

<sup>55</sup> Arcelor's and Duferco's foreign producer questionnaires, section II-1.

<sup>56</sup> Arcelor's and Duferco's foreign producer questionnaires, section II-2.

Aceralia, and Usinor. Usinor owned the French producers Atlantique, Beautor, Haironville, and Lorraine. As a result of the merger and guidelines set forth by the European Commission, Beautor and Strasbourg (owned by Lorraine) were sold. On April 9, 2003, Duferco Belgium, acting on behalf of Duferco Coating, purchased Beautor and Strasbourg (now Duferco Coating and Duferco Sorral). Since then, Oannaing, an organic coating facility, was closed in 2005. In February 2006, Arcelor acquired Dofasco. Finally, in June 2006, Arcelor announced a merger with Mittal Steel.

### Corrosion-Resistant Steel Operations

Table CORE-IV-28 presents the French industry's capacity, production, and capacity utilization, by type, since 2005. A majority of the French producers' corrosion-resistant capacity is hot-dip galvanized, with a minority of electrogalvanized and "other" corrosion-resistant steel.

**Table CORE-IV-28**

**Corrosion-resistant steel: France's capacity, production, and capacity utilization, by type, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

Table CORE-IV-29 presents the French industry's capacity, production, shipments, and inventories of corrosion-resistant steel for 2000-05 as well as interim (January-June) 2005 and 2006.

**Table CORE-IV-29**

**Corrosion-resistant steel: France's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

\*\*\* reported that the outstanding orders had any significant impact on its capacity, production, shipments, export markets, or inventories, \*\*\* expect that the character of its operations would change if the orders were revoked.<sup>57</sup> While the specific data are confidential, in general French capacity fluctuated modestly and production fluctuated and capacity utilization generally decreased between 2000 and 2005. Arcelor (France) reported \*\*\*.<sup>58 59</sup> Duferco Sorral reported \*\*\*. Duferco reported that \*\*\*.<sup>60 61</sup> As discussed in greater detail below, Arcelor (France) reportedly produces micro-alloy products on the same equipment, or using the same production and related workers, used to produce corrosion-resistant steel.<sup>62</sup>

In general the French mills' shipments of corrosion-resistant steel decreased during the period for which data were collected, while their inventories increased, but remained below \*\*\* percent of total shipments.<sup>63</sup> The majority of such shipments were home market sales, transfers, or internal consumption,

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<sup>57</sup> Neither firm reported having a business plan or any internal documents that describe, discuss, or analyze future market conditions or market conditions if the subject orders were revoked.

<sup>58</sup> Arcelor reported that its production capacity \*\*\*.

<sup>59</sup> Most of Arcelor's organic-coated products \*\*\*.

<sup>60</sup> Duferco reported \*\*\*.

<sup>61</sup> Duferco Coating has production facilities \*\*\*. Duferco Sorral has production facilities \*\*\*. Production inputs \*\*\*.

<sup>62</sup> The firms reported \*\*\*. Arcelor's and Duferco's foreign producer questionnaires, section II-11.

<sup>63</sup> \*\*\* maintained inventories of corrosion-resistant steel in the United States. Arcelor's and Duferco's foreign producer questionnaires, section II-12.



but a substantial minority were exports, primarily to other EU markets.<sup>64</sup> <sup>65</sup> Duferco's primary customers are European automakers. Reported exports to the United States were \*\*\*; export markets other than the United States include \*\*\*. French exports of corrosion-resistant steel are not subject to any tariff or nontariff barriers in any countries, nor subject to current investigations.<sup>66</sup> While free trade agreements \*\*\*,<sup>67</sup> the development of the European Union - in particular its expansion in 2004, as well as reportedly favorable pricing trends, delivery times, and reaction to customer demand - is a consideration.<sup>68</sup>

Presented in the tabulation below are \*\*\* exports of corrosion-resistant steel to Canada and Mexico.<sup>69</sup>

\* \* \* \* \*

The majority of French mills' shipments of corrosion-resistant steel is sold for automotive applications. As shown in table CORE-IV-30, such sales are predominantly for unexposed automobile parts. In addition, as shown in table CORE-IV-31, a \*\*\* majority of French mills' shipments of corrosion-resistant steel is galvanized, rather than galvanized or otherwise coated. Finally, as shown in table CORE-IV-32, a \*\*\* majority of French mills' shipments of corrosion-resistant steel is sold unpainted, with a minority of sales toll-painted or mill-painted corrosion-resistant steel.

#### **CORE-IV-30**

**Corrosion-resistant steel: French producers' total shipments, by application, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

#### **CORE-IV-31**

**Corrosion-resistant steel: French producers' total shipments, by form, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

#### **CORE-IV-32**

**Corrosion-resistant steel: French producers' total shipments, by paint status, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

### **Alternative Products**

As shown in table CORE-IV-33, the majority of corrosion-resistant steel production by French mills is subject merchandise, primarily hot-dip galvanized steel. Nonetheless, French mills reported production of micro-alloy steel and, \*\*\*, other forms of nonsubject merchandise on the same equipment used to produce subject corrosion-resistant steel. With respect to micro-alloy corrosion-resistant steel, table CORE-IV-34 presents the French industry's capacity, production, shipments, and inventories of such corrosion-resistant steel for 2000-05 as well as interim (January-June) 2005 and 2006.

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<sup>64</sup> \*\*\* reported developing or increasing sales to non-U.S. export markets as a result of the subject orders. Arcelor's and Duferco's foreign producer questionnaires, section II-14.

<sup>65</sup> The "all other" markets are \*\*\*. Arcelor's prehearing brief, p. 6, fn. 13.

<sup>66</sup> Arcelor's and Duferco's foreign producer questionnaires, section I-13.

<sup>67</sup> Arcelor's and Duferco's foreign producer questionnaires, section I-7.

<sup>68</sup> Duferco's response to the notice of institution, p. 3.

<sup>69</sup> \*\*\*.

**Table CORE-IV-33**

**Corrosion-resistant steel: French producers' overall capacity and production, by type of steel, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CORE-IV-34**

**Corrosion-resistant micro-alloy steel: France's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

## **THE INDUSTRY IN GERMANY**

### **Overview**

The Commission identified four German producers of corrosion-resistant steel - Hoesch, Krupp, Preussag, and Thyssen - in the original investigations, and four such producers - Bremen, EKO, Salzgitter, and Thyssen - in the first reviews.<sup>70</sup> In the current second reviews, the Commission issued questionnaires to six German firms believed to be producers of corrosion-resistant steel and received data from Arcelor (Germany),<sup>71</sup> Corus,<sup>72</sup> Salzgitter, and Thyssen.<sup>73</sup> Hoesch and Krupp merged in 1993 to form Krupp Hoesch Stahl, which then merged with Thyssen in 1997, to form ThyssenKrupp. In 1998, Preussag was renamed Salzgitter. Corus was created in October 1999, as a merger of Hoogovens and British Steel. Hoogovens owned the Hille & Muller group (including Trierer Walzwerk). Arcelor was created in February 2002 as a merger of three companies, Arbed, Aceralia, and Usinor. Bremen was owned by Arbed, and EKO was owned by Usinor. In June 2006, Arcelor announced a merger with Mittal. According to \*\*\*, responding German producers represent all of the corrosion-resistant steel capacity in Germany.<sup>74</sup> The responding firms' share of 2005 German production of corrosion-resistant steel and the share of their most recent fiscal year sales represented by corrosion-resistant steel are presented in table CORE-IV-35. Table CORE-IV-36 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table CORE-IV-35**

**Corrosion-resistant steel: German producers' share of 2005 production and share of firms' most recent fiscal year sales represented by corrosion-resistant steel**

\* \* \* \* \*

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<sup>70</sup> USITC Publication 2664, p. I-106; USITC Publication 3364, p. CORROSION-IV-5.

<sup>71</sup> Plants include Stahlwerke Bremen and EKO. Arcelor (Germany) has related firms that produce corrosion-resistant steel in Belgium, Brazil, Canada, China, France, Italy, Luxembourg, Spain, and Turkey. Arcelor (Germany) has a related firm, Arcelor International America, which imports subject product into the United States.

<sup>72</sup> Corus' German plants include Hille & Mueller and Trierer Walzwerk.

<sup>73</sup> Wupperman's data were included in the prehearing report but have been removed from the final report because it does not produce corrosion-resistant steel in Germany. Instead, Wupperman Stahl GmbH (Germany) is the sales organization for corrosion-resistant steel produced by the Wupperman Group in Austria and the Netherlands. Freidrick Gustav Theis responded that it does not produce corrosion-resistant steel.

<sup>74</sup> \*\*\*.

**Table CORE-IV-36**

**Corrosion-resistant steel: Comparison of select German industry data, 1992, 1999, and 2005**

\* \* \* \* \*

As noted above, the composition of the German industry producing corrosion-resistant steel has changed over time. In addition, as presented below, German producers reported several operational or organizational changes since January 1, 2000.<sup>75</sup>

\* \* \* \* \*

### **Corrosion-Resistant Steel Operations**

Table CORE-IV-37 presents the German industry's capacity, production, and capacity utilization, by type, since 2000. A majority of the German producers' capacity is hot-dip galvanized, with a substantial minority of electrolytic and "other" corrosion-resistant steel.

Table CORE-IV-38 presents the German industry's capacity, production, shipments, and inventories of corrosion-resistant steel for 2000-05 as well as interim (January-June) 2005 and 2006.

**Table CORE-IV-37**

**Corrosion-resistant steel: Germany's capacity, production, and capacity utilization, by type, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CORE-IV-38**

**Corrosion-resistant steel: Germany's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

\*\*\* German producer reported that the outstanding orders had any significant impact on its capacity, production, shipments, export markets, or inventories, \*\*\* expect that the character of its operations would change if the orders were revoked.<sup>76</sup> No German firm reported being subject to tariff or non-tariff barriers to trade, nor being subject to any current investigations.<sup>77</sup> Additionally, no free trade agreements such as NAFTA affected the character of the German firms' operations.<sup>78</sup>

German capacity and production increased between 2000 and 2005, while capacity utilization remained relatively stable. \*\*\* was responsible for \*\*\* in Germany.<sup>79</sup> \*\*\* reported \*\*\* in production and capacity.<sup>80</sup> Salzgitter reported targeting the \*\*\* industry with its \*\*\*, which resulted from \*\*\*.<sup>81</sup> As discussed in greater detail below, \*\*\* reportedly produce other products on the same equipment, using the same production and related workers, used to produce corrosion-resistant steel, while \*\*\* reported that it

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<sup>75</sup> Arcelor (Germany), Salzgitter, and Thyssen's foreign producer questionnaires, section II-1.

<sup>76</sup> No firm reported having a business plan or any internal documents that describe, discuss, or analyze future market conditions or market conditions if the subject orders were revoked.

<sup>77</sup> Arcelor (Germany), Salzgitter, and Thyssen's foreign producer questionnaires, section II-13.

<sup>78</sup> Arcelor (Germany), Salzgitter, and Thyssen's foreign producer questionnaires, section I-7.

<sup>79</sup> Salzgitter reported that limits to mill capacity were set by \*\*\*. Salzgitter's foreign producer questionnaire, section II-9.

<sup>80</sup> Arcelor (Germany) reported that \*\*\*. Thyssen's foreign producer questionnaire, section II-9.

<sup>81</sup> Salzgitter's foreign producer questionnaire, section II-1.

did not.<sup>82</sup> Additionally, \*\*\* reported being able to switch production between corrosion-resistant steel and other products in response to a relative price change.<sup>83</sup>

In general, the German mills' shipments of corrosion-resistant steel increased during the period for which data were collected, while their inventories declined irregularly.<sup>84</sup> The majority of shipments were home market sales, but exports grew more rapidly, approaching home market sales in quantity. The largest share of exports was to the European Union, increasing noticeably over the period for which data were collected, despite decreasing from 2004 to 2005.<sup>85</sup> Thyssen and Corus both reported exports to the United States, which peaked in \*\*\*.<sup>86</sup> Thyssen is the main exporter of German subject product to the United States, and the majority of its shipments consist of \*\*\*.<sup>87</sup> Thyssen supplies the U.S. market from inventories maintained at warehouses located in Detroit, MI; Richburg, SC; and Southfield, MI, in order to deliver steel on a just in time basis.<sup>88</sup> Thyssen's facility in Detroit is also a processing center,<sup>89</sup> and its facility in Richburg, SC, is a service center focused on the sale of flat rolled steel products, of which approximately \*\*\*.<sup>90</sup> Other export markets include \*\*\*.<sup>91</sup>

Presented in the tabulation below are German exports of corrosion-resistant steel to Canada and Mexico.

\* \* \* \* \*

The majority of German producers' shipments of corrosion-resistant steel is for non-automotive applications. As shown in table CORE-IV-39, sales for automotive applications are predominantly for unexposed automobile parts. In addition, as shown in table CORE-IV-40, a majority of German mills' shipments of corrosion-resistant steel are galvanized, rather than galvanized or otherwise coated. Finally, as shown in table CORE-IV-41, a large majority of German mills' shipments of corrosion-resistant steel is sold unpainted, with a minority prepainted but with no reported sales of toll-painted corrosion-resistant steel.

#### CORE-IV-39

**Corrosion-resistant steel: German producers' total shipments, by application, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

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<sup>82</sup> Arcelor (Germany), Salzgitter, and Thyssen's foreign producer questionnaires, section II-13.

<sup>83</sup> Salzgitter and Thyssen reported that \*\*\*. Arcelor (Germany), Salzgitter, and Thyssen's foreign producer questionnaires, section II-11.

<sup>84</sup> \*\*\* maintained inventories of corrosion-resistant steel in the United States. Arcelor (Germany), Salzgitter, and Thyssen's foreign producer questionnaires, section II-12.

<sup>85</sup> Thyssen reported that \*\*\*. Thyssen's foreign producer questionnaire, Appendix II-18a.

<sup>86</sup> Thyssen reported that \*\*\*. Thyssen's prehearing brief, p. 6, fn. 10.

<sup>87</sup> Thyssen's posthearing brief, p. 4. These shipments \*\*. Thyssen's prehearing brief, p. 23.

<sup>88</sup> Thyssen's prehearing brief, p. 37.

<sup>89</sup> Thyssen's posthearing brief, p. 8, fn. 32.

<sup>90</sup> \*\*\*. Thyssen's posthearing brief, pp. 8-9.

<sup>91</sup> \*\*\* reported developing or increasing sales to non-U.S. export markets as a result of the subject orders. Arcelor (Germany), Salzgitter, and Thyssen's foreign producer questionnaires, section II-14.

#### CORE-IV-40

**Corrosion-resistant steel: German producers' total shipments, by form, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

#### CORE-IV-41

**Corrosion-resistant steel: German producers' total shipments, by paint status, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

### Alternative Products

As shown in table CORE-IV-42, the majority of corrosion-resistant steel production by German mills is subject merchandise, primarily hot-dip galvanized steel. Nonetheless, German mills reported production of micro-alloy steel and, to a lesser extent, other forms of nonsubject merchandise on the same equipment used to produce subject corrosion-resistant steel.<sup>92</sup> \*\*\* reported producing alloy steel as well as corrosion-resistant steel with dimensions and qualities that are not subject to the orders on the same equipment, and \*\*\* reported producing micro-alloy and alloy corrosion-resistant steel on the same equipment.<sup>93</sup> With respect to micro-alloy corrosion-resistant steel, table CORE-IV-43 presents the German industry's capacity, production, shipments, and inventories of such corrosion-resistant steel for 2000-05 as well as interim (January-June) 2005 and 2006.<sup>94</sup>

#### Table CORE-IV-42

**Corrosion-resistant steel: German producers' overall capacity and production, by type of steel, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

#### Table CORE-IV-43

**Corrosion-resistant micro-alloy steel: Germany's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

## THE INDUSTRY IN JAPAN

### Overview

The Commission identified six Japanese producers of corrosion-resistant steel - Kawasaki, Sumitomo, NKK, Nippon, Nisshin, and Kobe - in the original investigations and in the first reviews.<sup>95</sup> In the current second reviews, the Commission issued questionnaires to nine Japanese firms believed to be producers of corrosion-resistant steel and received data from JFE,<sup>96</sup> JFE Kouhan, Kobe,<sup>97</sup> Nippon,<sup>98</sup>

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<sup>92</sup> \*\*\*. Corus's foreign producer questionnaires, section II-7.

<sup>93</sup> Salzgitter and Thyssen's foreign producer questionnaires, section II-6.

<sup>94</sup> \*\*\*.

<sup>95</sup> USITC Publication 2664, p. I-106; USITC Publication 3364, p. CORROSION-IV-5.

<sup>96</sup> JFE resulted from the merger of NKK and Kawasaki and is related to the U.S. corrosion-resistant producer CSI, and to corrosion-resistant producers in Canada, China, and Thailand.

<sup>97</sup> Kobe is related to the U.S. corrosion-resistant steel producer Pro-Tec.

<sup>98</sup> As of December 31, 2005, Nippon owns \*\*\* percent of the U.S. joint venture I/N Kote, a U.S. producer of corrosion-resistant steel. As of March 31, 2006, Nippon wholly owns the Japanese corrosion-resistant producers  
(continued...)

Nisshin,<sup>99</sup> Nittetsu, and Sumitomo.<sup>100</sup> In April 2003, Kawasaki and NKK merged to form JFE. JFE Kouhan was established in April 2004 by consolidation of the operations of NKK Kouhan and Kawatetsu Kouhan, and Nittetsu was formed from the merger of Taiyo Steel and Daido Steel in 2002. According to \*\*\*, responding Japanese producers represent \*\*\* percent of the corrosion-resistant steel capacity in Japan.<sup>101</sup> The responding firms' shares of 2005 Japanese production of corrosion-resistant steel and the shares of their most recent fiscal year sales represented by corrosion-resistant steel are presented in table CORE-IV-44. Table CORE-IV-45 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table CORE-IV-44**

**Corrosion-resistant steel: Japanese producers' shares of 2005 production and shares of firms' most recent fiscal year sales represented by corrosion-resistant steel**

\* \* \* \* \*

**Table CORE-IV-45**

**Corrosion-resistant steel: Comparison of select Japanese industry data, 1992, 1999, and 2005**

Item	1992	1999	2005
Capacity (1,000 short tons)	12,037	***	***
Production (1,000 short tons)	10,335	***	***
Capacity utilization (percent)	85.9	***	***
Exports/shipments (percent)	23.2	***	***
Inventories/shipments (percent)	6.3	***	***
<p>Note.--Data for 1992 and 1999 were provided by Kawasaki, Kobe, Nippon Steel, Nisshin, NKK, and Sumitomo. Data for 2005 were provided by JFE, JFE Kouhan, Kobe, Nippon, Nisshin, Nittetsu, and Sumitomo.</p> <p>Source: USITC Publication 2664, table 76; Confidential first review report (INV-X-221, October 18, 2000), table CORROSION-IV-6; and 2006 questionnaire responses identified above.</p>			

As noted above, the composition of the Japanese industry producing corrosion-resistant steel has changed over time. In addition, as described below, Japanese producers reported several operational or organizational changes since January 1, 2000,<sup>102</sup> and reported anticipating several such changes in the future.<sup>103</sup>

\* \* \* \* \*

<sup>98</sup> (...continued)

Nittetsu, Nippon Steel Metal, and Tokai Color; and \*\*\* percent of Hokkai Koki.

<sup>99</sup> Nisshin owns \*\*\* percent of the U.S. corrosion-resistant producer Wheeling-Nisshin.

<sup>100</sup> Plants include the Kashima Steel Works and the Wakayama Steel Works.

<sup>101</sup> \*\*\*. The remaining capacity is operated by seven smaller producers, the largest of which is Yodogawa Steel Works. Ibid.

<sup>102</sup> Japanese foreign producer questionnaires, section II-1.

<sup>103</sup> Japanese foreign producer questionnaires, section II-2.

## Corrosion-Resistant Steel Operations

Table CORE-IV-46 presents the Japanese industry's capacity, production, and capacity utilization, by type, since 2000. A majority of the Japanese producers' corrosion-resistant capacity is hot-dip galvanized, followed by substantial minorities of electrogalvanized and "other." Table CORE-IV-47 presents the Japanese industry's capacity, production, shipments, and inventories of corrosion-resistant steel for 2000-05 as well as interim (January-June) 2005 and 2006.

**Table CORE-IV-46**

**Corrosion-resistant steel: Japan's capacity, production, and capacity utilization, by type, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CORE-IV-47**

**Corrosion-resistant steel: Japan's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

\*\*\* of the Japanese producers reported that the outstanding orders had any significant impact on its capacity, production, shipments, export markets, or inventories, \*\*\* of the Japanese producers expect that the character of their operations would change if the orders were revoked.<sup>104</sup> While company-specific data are confidential, in general Japanese capacity and production increased during the period for which data were collected, as did capacity utilization. \*\*\* to report plans to expand capacity.<sup>105 106</sup> The Japanese producers reported no major production technology changes since 2000.<sup>107</sup> As discussed in greater detail below, the mills reported the ability to produce other products on the same equipment, or using the same production and related workers, used to produce corrosion-resistant steel.<sup>108</sup>

In general the Japanese mills' shipments of corrosion-resistant steel increased during the period for which data were collected, while their inventories decreased.<sup>109</sup> The majority of such shipments were home market sales, but a substantial minority were exports, primarily to other Asian markets.<sup>110 111</sup> Japanese producers of corrosion-resistant steel have had a long-term technical collaboration with the

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<sup>104</sup> None of the firms reported having a business plan or any internal documents that describe, discuss, or analyze future market conditions or market conditions if the subject orders were revoked. Sumitomo provided a medium term business plan for 2006-08.

<sup>105</sup> \*\*\* plans to start up \*\*\* to meet the demand of \*\*\*.

<sup>106</sup> The Japanese producers collectively listed the following constraints to capacity: hot-rolling process, capacity of continuous casting line, annealing line, blast furnace and steel making plant, galvanizing, and cold-rolling lines.

<sup>107</sup> The Japanese producers reported that the production technology is hot-dip galvanizing and electrolytic galvanizing and that the corrosion-resistant steel inputs are hot-rolled and cold-rolled steel flat products and zinc.

<sup>108</sup> However, \*\*\* reported that they are unable to switch production if a change in related price should occur. Japanese foreign producer questionnaires, section II-11.

<sup>109</sup> \*\*\* maintained inventories of corrosion-resistant steel in the United States. Japanese foreign producer questionnaires, section II-12.

<sup>110</sup> \*\*\* reported developing or increasing sales to non-U.S. export markets as a result of the subject orders. Japanese foreign producer questionnaires, section II-14.

<sup>111</sup> Japanese respondent interested parties reported a corrosion-resistant supply shortage in their home market in late 2004 and early 2005, forcing Japanese automakers to suspend production and/or seek alternative sources. Japanese respondent interested parties' prehearing brief, pp. 29-32.

Japanese automotive and electronics manufacturers that have established themselves in China and Asia.<sup>112</sup> Japanese producers reported that they have adopted a strategy that emphasized production of high value-added corrosion-resistant products that are differentiated from corrosion-resistant steel available from low-cost Asian producers.<sup>113</sup> More than 70 percent of Japan's exports of corrosion-resistant steel to China in 2004 were electrogalvanized for the production of electronic appliances.<sup>114</sup> Reported exports to the United States were limited, and consist largely of specialty high-strength automotive grades, such as 780 MPa and 980 MPa.<sup>115</sup> \*\*\*.<sup>116</sup> \*\*\*. Export markets other than the United States include \*\*\*. Japanese exports of corrosion-resistant steel are not subject to any tariff or nontariff barriers in any countries, nor subject to current investigations.<sup>117</sup> While free trade agreements reportedly do not affect the Japanese mills' operations,<sup>118</sup> Japan has entered into free trade agreements with Singapore (November 2002), Mexico (April 2005), and Malaysia (July 2006).<sup>119</sup>

Presented in the tabulation below are the Japanese industry's exports of corrosion-resistant steel to Canada.<sup>120</sup> Canada's dumping order on corrosion-resistant steel from Japan was lifted in 2004.

\* \* \* \* \*

Slightly less than one-half of the Japanese mills' shipments of corrosion-resistant steel is sold for automotive applications. As shown in table CORE-IV-48, such sales are predominantly for unexposed automobile parts. In addition, as shown in table CORE-IV-49, a substantial majority of Japanese mills' shipments of corrosion-resistant steel are galvanized, rather than galvanized or otherwise coated. Finally, as shown in table CORE-IV-50, a large majority of Japanese mills' shipments of corrosion-resistant steel is sold unpainted, with a minority toll-painted or mill-painted.

#### **CORE-IV-48**

**Corrosion-resistant steel: Japanese producers' total shipments, by application, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

#### **CORE-IV-49**

**Corrosion-resistant steel: Japanese producers' total shipments, by form, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

#### **CORE-IV-50**

**Corrosion-resistant steel: Japanese producers' total shipments, by paint status, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

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<sup>112</sup> Japanese respondent interested parties' prehearing brief, p. 36.

<sup>113</sup> Japanese respondent interested parties' prehearing brief, p. 4.

<sup>114</sup> Japanese respondent interested parties' prehearing brief, p. 49-50.

<sup>115</sup> Hearing transcript (Miki), pp. 414-415.

<sup>116</sup> Japanese respondent interested parties' posthearing brief, Attachment K. \*\*\*. Japanese respondent interested parties' posthearing brief, Attachment I.

<sup>117</sup> Japanese foreign producer questionnaires, section II-13.

<sup>118</sup> Japanese foreign producer questionnaires, section I-7.

<sup>119</sup> \*\*\* reported that these agreements make it more attractive for \*\*\* to export corrosion-resistant steel to those countries.

<sup>120</sup> \*\*\*. Japanese respondent interested parties' posthearing brief, Attachment E.



## Alternative Products

As shown in table CORE-IV-51, the majority of corrosion-resistant steel production by Japanese mills is subject merchandise, primarily hot-dip galvanized steel. Nonetheless, Japanese mills reported production of alloy and micro-alloy steel and, to a lesser extent, other forms of nonsubject merchandise on the same equipment used to produce subject corrosion-resistant steel. With respect to alloy and micro-alloy corrosion-resistant steel, table CORE-IV-52 presents the Japanese industry's capacity, production, shipments, and inventories of such corrosion-resistant steel for 2000-05 as well as interim (January-June) 2005 and 2006.<sup>121</sup>

**Table CORE-IV-51**

**Corrosion-resistant steel: Japanese producers' overall capacity and production, by type of steel, 2005, January-June 2005, and January-June 2006**

\* \* \* \* \*

**Table CORE-IV-52**

**Corrosion-resistant alloy and micro-alloy steel: Japan's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

## THE INDUSTRY IN KOREA

### Overview

The Commission identified five Korean producers of corrosion-resistant steel<sup>122</sup> - Dongbu, POCOS, POSCO, PSI, and Union - in the original investigations, and six such producers - Dongbu, Hyundai, Pohang (PSI), POCOS, POSCO, and Union Steel - in the first reviews.<sup>123</sup> In the current second reviews, the Commission issued questionnaires to eight Korean firms<sup>124</sup> believed to be producers of corrosion-resistant steel and received data from Dongbu,<sup>125</sup> Hyundai,<sup>126</sup> POCOS,<sup>127</sup> POSCO,<sup>128</sup> SeAH, TCC,<sup>129</sup> and Union.<sup>130</sup> Hyundai began production of corrosion-resistant steel in 1999, Pohang (PSI) and POCOS merged in March 1999, SeAH began production of corrosion-resistant steel in 1999, and TCC began production of non-diffusion annealed nickel-plated corrosion-resistant steel in 2001 and diffusion-annealed nickel-plated corrosion-resistant steel in 2005. According to \*\*\*, responding Korean producers represent \*\*\* percent of the corrosion-resistant steel capacity in Korea.<sup>131</sup> The responding firms' shares of 2005 Korean production of corrosion-resistant steel and the shares of their most recent fiscal year sales

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<sup>121</sup> The Japanese firms were unable to provide separate data for alloy and micro-alloy steel.

<sup>122</sup> Counsel reported data on corrosion-resistant products for two companies related to POSCO: Pohang Steel Industries and Pohang Coated Steel, USITC Publication 2664, p. I-120.

<sup>123</sup> USITC Publication 2664, p. I-121; USITC Publication 3364, p. CORROSION-IV-7.

<sup>124</sup> Young Heung Iron and Steel Co. responded that it does not produce corrosion-resistant steel.

<sup>125</sup> Dongbu is related to a U.S. importer of corrosion-resistant steel, Dongbu USA.

<sup>126</sup> Hyundai is related to a U.S. importer of corrosion-resistant steel, Hyundai Hysco.

<sup>127</sup> POCOS is related to two producers of corrosion-resistant steel, USS-POSCO (U.S.) and POSCO (Korea), and to U.S. importer POSCO America.

<sup>128</sup> POSCO is related to two producers of corrosion-resistant steel, USS-POSCO (U.S.) and POCOS (Korea). POSCO has a related U.S. importer of corrosion-resistant steel, POSCO America.

<sup>129</sup> TCC is related to Dong Yang, a U.S. importer of corrosion-resistant steel.

<sup>130</sup> Union is related to Dongkuk, a U.S. importer of corrosion-resistant steel.

<sup>131</sup> \*\*\*. The remaining capacity is operated by Jinbang Steel and by Seil. Ibid.

represented by corrosion-resistant steel are presented in table CORE-53. Table CORE-IV-54 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table CORE-IV-53**

**Corrosion-resistant steel: Korean producers' shares of 2005 production and shares of firms' most recent fiscal year sales represented by corrosion-resistant steel**

\* \* \* \* \*

**Table CORE-IV-54**

**Corrosion-resistant steel: Comparison of select Korean industry data, 1992, 1999, and 2005**

Item	1992	1999	2005
Capacity (1,000 short tons)	3,139	***	8,441
Production (1,000 short tons)	2,944	***	7,344
Capacity utilization (percent)	93.8	***	87.0
Exports/shipments (percent)	46	***	33.6
Inventories/shipments (percent)	5.2	***	4.6
<p>Note.--Data for 1992 were provided by Dongbu and Union, as well as POSCO and its related companies POCOS and PSI. Data for 1999 were provided by Dongbu, Hyundai, Pohang, Pohang-Coated, and Union Steel. Data for 2005 were provided by Dongbu, Hyundai, POCOS, POSCO, SeAH, TCC, and Union.</p> <p>Source: USITC Publication 2664, table 80; Confidential first review report (INV-X-221, October 18, 2000), table CORROSION-IV-7, as revised by memorandum INV-X-232 (November 1, 2000); and 2006 questionnaire responses identified above.</p>			

As noted above, the composition of the Korean industry producing corrosion-resistant steel has changed over time. In addition, as described below, Korean producers reported several operational or organizational changes since January 1, 2000,<sup>132</sup> but reported anticipating no such changes in the future.<sup>133</sup> \*\*\* has signed a memorandum of understanding to build a galvanized steel plant in Mexico with a capacity of \*\*\* tons.<sup>134</sup> Construction of the \$\*\*\* plant will begin in early 2008 and the production is scheduled to begin in 2009.

\* \* \* \* \*

### Corrosion-Resistant Steel Operations

Table CORE-IV-55 presents the Korean industry's capacity, production, and capacity utilization, by type, since 2000. A majority of the Korean producer's corrosion-resistant capacity is hot-dip galvanized, followed by substantial minorities of electrogalvanized and "other." Table CORE-IV-56 presents the Korean industry's capacity, production, shipments, and inventories of corrosion-resistant steel for 2000-05 as well as interim (January-June) 2005 and 2006.

**Table CORE-IV-55**

**Corrosion-resistant steel: Korea's capacity, production, and capacity utilization, by type, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

<sup>132</sup> Korean foreign producer questionnaires, section II-1.

<sup>133</sup> Korean foreign producer questionnaires, section II-2.

<sup>134</sup> Korean respondent interested parties' brief, exhibit 12.

Table CORE-IV-56

Corrosion-resistant steel: Korea's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Quantity (short tons)</b>								
Capacity	6,565,324	7,064,324	7,261,324	7,371,324	7,607,324	8,441,110	4,178,852	4,652,582
Production	5,781,692	5,924,794	6,262,403	6,693,087	6,906,075	7,344,345	3,661,775	4,002,240
End-of-period inventories	187,319	208,288	181,272	182,642	217,115	334,202	260,765	216,489
Shipments:								
Internal consumption / transfers	***	***	***	***	***	***	***	***
Home market	***	***	***	***	***	***	***	***
Exports to--								
United States	246,701	265,418	178,173	93,131	249,169	345,455	162,820	266,329
European Union	338,100	213,909	139,461	129,097	119,923	109,541	62,326	127,462
China	360,658	579,223	543,049	778,709	624,743	678,421	315,769	403,742
Other Asia	604,136	604,238	657,792	674,406	702,376	853,387	431,836	405,152
All other markets	318,502	302,189	317,640	338,729	433,267	444,319	201,641	327,582
Total exports	1,868,097	1,964,977	1,836,115	2,014,072	2,129,478	2,431,123	1,174,392	1,530,267
Total shipments	1,868,097	1,964,977	1,836,115	2,014,072	2,129,478	2,431,123	1,174,392	1,530,267
<b>Ratios and shares (percent)</b>								
Capacity utilization	88.1	83.9	86.2	90.8	90.8	87.0	87.6	86.0
Inventories/production	3.2	3.5	2.9	2.7	3.1	4.6	3.6	2.7
Inventories/shipments	3.3	3.5	2.9	2.7	3.2	4.6	3.6	2.6
Share of total shipment quantity:								
Internal consumption / transfers	***	***	***	***	***	***	***	***
Home market	***	***	***	***	***	***	***	***
Exports to--								
United States	4.3	4.5	2.8	1.4	3.6	4.8	4.5	6.5
European Union	5.9	3.6	2.2	1.9	1.7	1.5	1.7	3.1
China	6.3	9.8	8.6	11.6	9.1	9.4	8.7	9.8
Other Asia	10.6	10.2	10.5	10.1	10.2	11.8	11.9	9.8
All other markets	5.6	5.1	5.1	5.1	6.3	6.1	5.6	8.0
Total exports	32.6	33.3	29.2	30.1	31.0	33.6	32.5	37.2

Table continued on next page.

Table CORE-IV-56--*Continued*

Corrosion-resistant steel: Korea's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006

Item	Calendar year						January-June	
	2000	2001	2002	2003	2004	2005	2005	2006
<b>Value (1,000 dollars)</b>								
Commercial shipments:								
Home market	***	***	***	***	***	***	***	***
Exports to--								
United States	138,213	138,009	86,492	51,752	199,011	303,009	147,765	208,426
European Union	161,621	90,878	59,586	79,813	94,011	96,738	61,185	92,340
China	189,975	255,658	257,600	437,942	420,776	541,091	267,183	269,171
Other Asia	297,133	246,165	273,973	360,569	468,426	668,941	351,712	334,562
All other markets	171,277	142,095	143,032	193,329	309,175	364,214	176,085	231,417
Total exports	958,219	872,805	820,683	1,123,405	1,491,399	1,973,993	1,003,930	1,135,916
Total commercial shipments	***	***	***	***	***	***	***	***
<b>Unit value (per short ton)</b>								
Commercial shipments:								
Home market	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Exports to--								
United States	560	520	485	556	799	877	908	783
European Union	478	425	427	618	784	883	982	724
China	527	441	474	562	674	798	846	667
Other Asia	492	407	417	535	667	784	814	826
All other markets	538	470	450	571	714	820	873	706
Total exports	513	444	447	558	700	812	855	742
Total commercial shipments	***	***	***	***	***	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires.								

\*\*\* of the Korean producers reported that the outstanding orders had any significant impact on its capacity, production, shipments, export markets, or inventories, \*\*\* Korean producer expects that the character of its operations would change if the orders were revoked.<sup>135</sup> Korean capacity and production

<sup>135</sup> Union was excluded from the CVD order. None of the firms reported having a business plan or any internal documents that describe, discuss, or analyze future market conditions or market conditions if the subject orders were revoked.

increased during the period for which data were collected, while capacity utilization decreased.<sup>136 137</sup> As discussed in greater detail below, the mills reportedly produce other products on the same equipment, and using the same production and related workers, used to produce corrosion-resistant steel.

In general the Korean mills' shipments of corrosion-resistant steel steadily increased during the period for which data were collected, while their inventories fluctuated in a generally upward trend.<sup>138</sup> The majority of such shipments were home market sales, but a substantial minority were exports, primarily to China and other Asian markets.<sup>139</sup> Korean respondent interested parties reported that their exports are primarily electrogalvanized steel for electronic appliance production and high grade hot-dip for automotive production to Korean and Japanese transplants manufacturing in China.<sup>140 141</sup> Two of POSCO's largest non-automotive clients are \*\*\*.<sup>142</sup> HYSCO's exports to China are primarily to auto manufacturers. Dongbu's exports to China are for construction and electronic appliances. Union sells \*\*\* to the personal computer, LCD, and PDP market segment.

Reported exports to the United States fluctuated, and were noticeably lower in 2002-03. Korean respondent interested parties reported that imports from Korea to the United States increased in 2005 and the first half of 2006 because \*\*\*.<sup>143</sup> \*\*\* accounted for a majority of Korean imports during 2000-05, which supplied the construction sector of the market. Export markets other than the United States include \*\*\*. Korean producers' exports of corrosion-resistant steel are not subject to any tariff or nontariff barriers in any countries, nor subject to current investigations.<sup>144</sup> Free trade agreements reportedly do not affect the Korean mills' operations.<sup>145</sup>

Presented in the tabulation below are the Korean industry's exports of corrosion-resistant steel to Canada and Mexico. Canada's dumping order on corrosion-resistant steel from Korea was lifted in 2004 and did not include galvalume or prepainted products. \*\*\*.<sup>146</sup> \*\*\*.

\* \* \* \* \*

The majority of Korean mills' shipments of corrosion-resistant steel is sold for nonautomotive applications. As shown in table CORE-IV-57, sales of corrosion-resistant steel for automotive applications are predominantly for unexposed automobile parts. In addition, as shown in table CORE-IV-58, a substantial majority of Korean mills' shipments of corrosion-resistant steel is not galvanized or galvannealed. Finally, as shown in table CORE-IV-59, a large majority of Korean mills' shipments of

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<sup>136</sup> The Korean producers collectively reported the following constraints to capacity: breakdown or repairs, shortage of raw materials or order receipts, capacity of production equipment and size of workforce, and the market situation.

<sup>137</sup> The Korean producers reported no significant changes to production technology since 2000. The production inputs are cold-reducing raw materials (hot coils), galvanizing, and painting.

<sup>138</sup> \*\*\* of the firms maintained inventories of corrosion-resistant steel in the United States. Korean foreign producer questionnaires, section II-12.

<sup>139</sup> \*\*\* of the firms reported developing or increasing sales to non-U.S. export markets as a result of the subject orders. Korean foreign producer questionnaires, section II-14.

<sup>140</sup> Korean respondent interested parties' posthearing brief, p. 7.

<sup>141</sup> TCC exports largely diffusion-annealed nickel-plated steel product for the production of alkaline batteries. TCC reported there are no Chinese producers of such product. TCC's posthearing brief, pp. 2-3.

<sup>142</sup> Korean respondent interested parties' posthearing brief, pp. 7-9.

<sup>143</sup> Korean respondent interested parties' prehearing brief, p. 9.

<sup>144</sup> Korean foreign producer questionnaires, section II-13.

<sup>145</sup> Korean foreign producer questionnaires, section I-7.

<sup>146</sup> Korean respondent interested parties' posthearing brief, Responses to Questions from the Commission, p. 2.

corrosion-resistant steel is sold unpainted, with a minority prepainted but with no reported sales of toll-painted corrosion-resistant steel.

**CORE-IV-57**

**Corrosion-resistant steel: Korean producers' total shipments, by application, 2005, January-June 2005, and January-June 2006**

Item	2005	January-June 2005	January-June 2006
<b>Quantity (short tons)</b>			
Exposed (automotive)	***	***	***
Unexposed (automotive)	***	***	***
Other	5,743,242	2,887,923	3,246,568
Total	7,227,132	3,616,757	4,117,946
Source: Compiled from data submitted in response to Commission questionnaires.			

**CORE-IV-58**

**Corrosion-resistant steel: Korean producers' total shipments, by form, 2005, January-June 2005, and January-June 2006**

Item	2005	January-June 2005	January-June 2006
<b>Quantity (short tons)</b>			
Galvanized	1,983,638	981,483	1,199,927
Galvannealed	1,290,641	619,074	756,962
Other	3,952,853	2,016,198	2,161,056
Total	7,227,132	3,616,755	4,117,945
Source: Compiled from data submitted in response to Commission questionnaires.			

**CORE-IV-59**

**Corrosion-resistant steel: Korean producers' total shipments, by paint status, 2005, January-June 2005, and January-June 2006**

Item	2005	January-June 2005	January-June 2006
<b>Quantity (short tons)</b>			
Prepainted	1,437,869	739,998	838,978
Toll-painted	0	0	0
Sold unpainted	5,789,263	2,876,759	3,278,968
Total	7,227,132	3,616,757	4,117,946
Source: Compiled from data submitted in response to Commission questionnaires.			

**Alternative Products**

As shown in table CORE-IV-60, the majority of corrosion-resistant steel production by Korean mills is subject merchandise, the largest share of which is hot-dip galvanized steel. Nonetheless, Korean mills reported production of micro-alloy steel and, to a lesser extent, other forms of nonsubject

merchandise on the same equipment used to produce subject corrosion-resistant steel. With respect to micro-alloy corrosion-resistant steel, table CORE-IV-61 presents the Korean industry's capacity, production, shipments, and inventories of such corrosion-resistant steel for 2000-05 as well as interim (January-June) 2005 and 2006.<sup>147</sup>

**Table CORE-IV-60**

**Corrosion-resistant steel: Korean producers' overall capacity and production, by type of steel, 2005, January-June 2005, and January-June 2006**

Item	2005	Jan.-June 2005	Jan.-June 2006
Average production capacity for all subject and nonsubject corrosion-resistant steel ( <i>short tons</i> )	8,922,997	4,352,174	5,040,824
Production of subject electrolytic galvanized corrosion-resistant steel ( <i>short tons</i> )	1,585,867	795,567	844,321
Production of subject hot-dip galvanized corrosion-resistant steel ( <i>short tons</i> )	4,966,135	2,457,359	2,771,482
Production of other subject corrosion-resistant steel ( <i>short tons</i> )	792,343	408,855	385,745
Production of specifically excluded corrosion-resistant steel ( <i>short tons</i> )	0	0	0
Production of micro-alloy corrosion resistant steel ( <i>short tons</i> )	***	***	***
Production of other nonsubject alloy and stainless steel corrosion-resistant steel ( <i>short tons</i> )	***	***	***
Total production of corrosion-resistant steel ( <i>short tons</i> )	7,344,345	3,661,781	4,001,548
Capacity utilization ( <i>percent</i> )	89.7	92.2	86.4
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table CORE-IV-61**

**Corrosion-resistant micro-alloy steel: Korea's capacity, production, inventories, and shipments, 2000-05, January-June 2005, and January-June 2006**

\* \* \* \* \*

<sup>147</sup> \*\*\* was the only Korean producer to report production of micro-alloy. The company did not provide capacity data.

## GLOBAL MARKET

### Production

Global production of coated steel sheet products has grown considerably in recent years. According to one published source,<sup>148</sup> global production of coated steel sheet increased by \*\*\* percent between 1994 and 1999, and by \*\*\* percent between 2000 and 2005. In terms of sheer volume, growth was relatively evenly distributed between North America, Europe, and East and Southeast Asia during 1994-99, but was most pronounced in the latter region during 2000-05. East and Southeast Asia is forecasted to lead global production in the coming years as well. Data compiled by \*\*\* on historical, current, and projected global production of coated steel sheet are presented in tables CORE-IV-62 through CORE-IV-64.<sup>149</sup>

**Table CORE-IV-62**

**Coated steel sheet: Global and regional production of coated steel sheet, 1994-99**

\* \* \* \* \*

**Table CORE-IV-63**

**Coated steel sheet: Global and regional production of coated steel sheet, 2000-05**

\* \* \* \* \*

**Table CORE-IV-64**

**Coated steel sheet: Forecast of global and regional production of coated steel sheet, 2005-10**

\* \* \* \* \*

### Consumption

Data compiled by \*\*\* on historical, current, and forecasted global consumption of coated steel sheet are presented in tables CORE-IV-65 through CORE-IV-67.<sup>150</sup> Worldwide consumption of coated steel sheet increased by \*\*\* percent between 1994 and 1999, despite much lower growth in East and Southeast Asia, reflecting reduced levels of consumption in that region in 1998 and 1999 relative to 1997. Worldwide consumption increased by \*\*\* percent between 2000 and 2005, paced by substantial growth in consumption in East and Southeast Asia and despite much more modest growth in Europe and, especially, North America. Global consumption of coated steel sheet is forecasted to continue to grow in the coming years, with the growth relatively evenly distributed in all major markets.<sup>151</sup>

**Table CORE-IV-65**

**Coated steel sheet: Global and regional consumption of coated steel sheet, 1994-99**

\* \* \* \* \*

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<sup>148</sup> \*\*\*.

<sup>149</sup> Production data compiled by \*\*\* are for all coated steel sheet. \*\*\* data do not distinguish between carbon and non-carbon steel; accordingly, the production totals reported for coated steel sheet are somewhat overstated.

<sup>150</sup> Consumption data compiled by \*\*\* are for all coated steel sheet. \*\*\* data do not distinguish between carbon and non-carbon steel; accordingly, the consumption totals reported for coated steel sheet are somewhat overstated.

<sup>151</sup> See Part CORE-II of this report for the individual perspectives of U.S. producers, importers, and purchasers on demand in the United States and in other markets.



**Table CORE-IV-66**

**Coated steel sheet: Global and regional consumption of coated steel sheet, 2000-05**

\* \* \* \* \*

**Table CORE-IV-67**

**Coated steel sheet: Forecast of global and regional consumption of coated steel sheet, 2005-10**

\* \* \* \* \*

### **Prices**

The Commission asked producers, importers, and purchasers to compare market prices of corrosion-resistant steel in U.S. and non-U.S. markets. Five producers reported that U.S. prices are generally higher than prices in other markets.<sup>152</sup> \*\*\* reported that U.S. prices are higher than prices in Europe but about the same as prices in China. Three importers reported that U.S. prices are generally the same as prices in other markets. \*\*\* reported that U.S. prices are \*\*\* per ton higher than prices in other markets. \*\*\* reported that U.S. prices used to be higher than prices in other markets but that the gap has narrowed almost completely recently. \*\*\* reported that U.S. prices are lower than prices in Europe and Japan but higher than prices in Korea. \*\*\* reported that June 2006 spot market prices were relatively the same in the United States, Canada, and Europe but that prices in Asia were lower.

Most purchasers were unable to compare prices, but three purchasers reported that U.S. prices are comparable to prices in other markets. Five purchasers reported that U.S. prices tend to be higher than prices in other markets, and one purchaser reported that U.S. prices tend to be lower than prices in other markets.<sup>153</sup> \*\*\* reported that prices in the United States and Western Europe were similar until late 2003, when U.S. prices increased relative to prices in Western Europe. \*\*\* reported that in 2004 and late 2005 to the present, imports were priced lower than U.S.-produced corrosion-resistant steel, but that in the first half of 2005, imports were higher priced.

Published price data are available from several reputable sources, although often such data are available by subscription only and cannot be reproduced without consent of their publisher. These data, however, are collected based on different product categories, timing, and commercial considerations, and so may not be directly comparable with each other. Moreover, such data are distinct from the pricing data presented in Part CORE-V of this report, which are collected directly from U.S. producers and U.S. importers according to precise product definitions.

As reported by MEPS, world prices for hot-dip galvanized corrosion-resistant steel declined irregularly between January 2000 and January 2002, decreasing from \$432 per short ton to \$312 per short ton during that time.<sup>154</sup> Thereafter, prices recovered, slowly at first, then more rapidly, surpassing \$400 per short ton in July 2002, \$500 per short ton in February 2004, \$600 per short ton in April 2004, and \$700 per short ton in September 2004. World prices declined from \$753 per short ton in December 2004 to \$611 per short ton in July 2005, but have since recovered, reaching \$789 per short ton in August 2006 before decreasing in September 2006.<sup>155</sup>

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<sup>152</sup> \*\*\*. Domestic producers' response to the notice of institution, exhibit 26.

<sup>153</sup> \*\*\* reported that prices are not directly comparable but that its data show that for both hot-dip and electro-galvanized corrosion-resistant steel, \*\*\*.

<sup>154</sup> MEPS prices are an arithmetic average of the low transaction values identified in the EU, Asia, and North America, converted into U.S. dollars.

<sup>155</sup> Original data are published in metric tons, and were converted to short tons using the following conversion factor: 1 metric ton = 1.102311 short tons. MEPS, *World Carbon Steel Product Prices*, found at <http://www.meps.co.uk>, retrieved September 6, 2006 and updated on November 8, 2006 and December 1, 2006.

(continued...)

Similarly, world prices for electro-zinc corrosion-resistant steel declined irregularly between January 2000 and March 2002, decreasing from \$456 per short ton to \$358 per short ton during that time. Thereafter, prices recovered, slowly at first, then more rapidly, surpassing \$400 per short ton in October 2003, \$500 per short ton in March 2004, \$600 per short ton in May 2004, and \$700 per short ton in October 2004. World prices declined from a peak of \$757 per short ton in March 2005 to \$628 per short ton in February 2006, but have since recovered, reaching \$733 per short ton in August 2006, before decreasing in September 2006.<sup>156</sup>

Country-specific monthly transaction prices for certain galvanized steel sheets are also compiled by MEPS,<sup>157</sup> and show monthly price fluctuations across major producing countries. Table CORE-IV-68 presents negotiated transaction prices for HDG corrosion-resistant steel (“hot-dip galvanized coils”) in select subject markets. According to data compiled by MEPS for January 2005 through November 2006, negotiated transaction prices fell beginning in January 2005, and, except for the United States and Canada (where prices began rising in the third quarter of 2005), did not begin to recover until March and April of 2006. By the summer or early fall of 2006, prices in the United States, the EU, Canada, and France had reached period highs, and Germany reached its period high price in November. In October 2006, however, prices in both the United States and in Canada dropped noticeably, a shift that continued in the United States in November. In the first and second quarters of 2005, U.S. prices were either lower than the prices in other countries, or decreasing relative to those prices. In 2006, prices in the United States decreased relative to European prices and began to fall below European prices but were consistently higher than prices in Japan and Korea. The United States began 2006 with prices lower than those in Canada, but by the summer U.S. prices were higher than Canadian prices.

Table CORE-IV-69 presents negotiated transaction prices for corrosion-resistant steel (“electro-zinc coated coils”) in select subject markets. According to data compiled by MEPS for January 2005 through November 2006, negotiated transaction prices in the United States and the EU generally fell from January 2005 through the second half of 2005, at which point they stabilized, and then generally began increasing in the second and third quarters of 2006, though never reaching their initial levels. In October 2006, prices in both the United States and in the EU dropped noticeably, then stabilized in November. Prices in Japan and Korea rose in the first quarter of 2005. They trended downward from the third quarter of 2005 through the first quarter of 2006, before rising again in the second and third quarters of 2006. Even by the fall of 2006, however, none of the countries’ prices had regained the highest price levels they had achieved in 2005.

**Table CORE-IV-68**

**Hot-dip galvanized (HD Galv) coils: Negotiated transaction prices (ex mill) for prime hot-dip galvanized steel, by subject country and by month, January 2005-October 2006**

\* \* \* \* \*

**Table CORE-IV-69**

**Electro-zinc coated coils (E Zinc): Negotiated transaction prices (ex mill) for prime electro-galvanized steel, by subject country and by month, January 2005-October 2006**

\* \* \* \* \*

In addition, \*\*\* compiles country- and region-specific monthly prices for galvanized steel, as presented in table CORE-IV-70. According to these data, U.S. prices were generally stable in the first

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<sup>155</sup> (...continued)

This pricing series is available to the public and its use is unrestricted.

<sup>156</sup> Ibid.

<sup>157</sup> MEPS, *International Steel Review*, January 2005 - November 2006.

half of 2000, before declining in the second half and throughout 2001. Reported U.S. prices recovered through much of 2002, but then decreased during much of 2003. Reported U.S. prices rose sharply over the course of 2004, retrenched in 2005, but then strengthened noticeably from late 2005 through mid-2006, before decreasing moderately in the summer and early fall. German, UK, EU export, Japan export, and Far East prices exhibited similar trends during 2000-01, although Japan export prices did not begin to decline until later in 2000, and fell less markedly than prices in other markets. German, UK, EU export, and Far East prices, like U.S. prices, increased during 2002, while Japan export prices were stable. While trends diverged during the following year, prices in none of the other surveyed markets showed declines of the same magnitude as U.S. prices between late 2002 and late 2003. In 2004, however, prices in all surveyed markets reportedly moved higher; similarly, like U.S. prices, prices in other markets (including China) moderated during 2005 before moving sharply higher into the summer of 2006.<sup>158</sup>

Based on \*\*\*'s published monthly prices for galvanized steel, U.S. prices were generally higher than non-U.S. prices. Over the 83-month period presented in table CORE-IV-70, U.S. prices were often higher than German, EU export, and Far East (and later China) prices. As well, U.S. prices were generally (though less frequently) higher than UK prices. Japan export prices, however, were more often than not higher than U.S. prices, although not during 2006.<sup>159</sup>

**Table CORE-IV-70**

**Galvanized steel: Prices for galvanized steel, by country or by region, and by month, January 2000-October 2006**

\* \* \* \* \*

#### Additional Global Supply and Demand Factors<sup>160</sup>

Worldwide, hot-dip galvanizing (“HDG”) capacity accounts for the large majority of sheet mills’ rated galvanizing capacity - \*\*\* percent, by \*\*\*’s estimate, compared to \*\*\* percent for electrogalvanizing (“EG”) capacity. Both HDG and EG capacity are largely located in three regions: East and South East Asia, Europe, and North America, in descending order of magnitude, although a not-insubstantial share of HDG is located outside of these regions. The following tabulation presents rated capacities of galvanizing facilities, by region (in *metric tons*).<sup>161</sup>

\* \* \* \* \*

While there are currently no safeguard measures in place for corrosion-resistant steel, several countries implemented safeguard measures from 2002 to 2004. Table CORE-IV-71 summarizes the countries, products covered, safeguard type, and implementation and termination dates.

Notwithstanding the impact of global safeguard actions on trade in corrosion-resistant steel, exports worldwide increased between 2000 and 2005. As shown in table CORE-IV-72, exports even increased in 2002 and 2003.

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<sup>158</sup> Compiled from data published in \*\*\*.

<sup>159</sup> Ibid.

<sup>160</sup> Information presented in this section is primarily derived from the following sources: *MEPS International Steel Review*, June-November 2006; \*\*\*; \*\*\*; and American Metal Market, “China’s Wuhan beginning trial run at first of 3 new galvanizing lines,” August 23, 2006; American Metal Market, “U.S. flat-roll import tags fall; downturn seen short-lived,” November 2, 2006; American Metal Market, “Duration of correction tied to imports, but execs say it’s likely short-lived,” October 20, 2006; and American Metal Market, “Arcelor Mittal to cut output of flat-rolled steel in Europe,” October 31, 2006.

<sup>161</sup> \*\*\*.

Table CORE-IV-71

## Steel safeguards imposed by foreign trade partners, 2002–05

Country	Products covered	Safeguard type	Implementation date	Termination date
China	Subject products: Galvanized sheet and organic-coated sheet.  Other products: Carbon steel slab, plate, and sheet; electrical steel sheets; tin mill products; stainless steel plates and sheets; carbon steel bars, rebars, and wire; carbon steel sections; and iron or steel seamless pipes.	Provisional– Tariff rates ranging from 7% to 26% on imports exceeding quota levels.	May 24, 2002	Nov. 19, 2002
China	Carbon steel sheet, and organic-coated sheet. Electrical steel sheets. Stainless steel sheet.	Definitive– Tariff quotas for the first half year set at the average of imports over the prior 3 years plus 3-15%, depending on product.  Tariff quota for years 2 and 3 increased 3-15% over that of the prior year, depending on product.  Tariff rates for above-quota imports to decline, from the second year, at the rate of 8% per year and the specific annual rate will be: 10.3-23.2% between Nov. 20, 2002, and May 23, 2003; 9.5-21.3% between May 24, 2003, and May 23, 2004; and 8.7-19.6% between May 24, 2004 and May 23, 2005, depending on product.	Nov. 20, 2002	December 26, 2003
European Union	Carbon steel plate, sheet, strip, and quarto plate.  Other products: Alloy steel flat-rolled products; electrical steel sheets; tin mill products; carbon and alloy steel bar and rebar; stainless steel wire; and alloy steel fittings and flanges.	Provisional– Tariff rates for above-quota imports range from 14.9% to 26.0% depending on product.	Mar. 29, 2002	Sept. 28, 2002
Hungary	Carbon steel plate, sheet, bar, rod, sections, pipe, tube, hollow profiles, wire-cloth, grill netting, and fencing.	Tariff rate quota increases by 2.5% in each successive 6-months period.  Tariff rates for above-quota imports set between 15-25%, depending on product, and declines by 5% in each successive 6-months period.	Provisional: June 3, 2002  Definitive: Apr. 2, 2003	May 1, 2004 <sup>1</sup>
Poland	Carbon steel uncoated, galvanized, and organic-coated flat-rolled products. Carbon steel bar. Electric steel sheets. Iron or steel welded and seamless tubes.	Definitive– Tariff rates on over-quota imports are 9-15% during Aug. 3, 2003 to Aug. 7, 2003; and drop to 8-13% during Aug. 3, 2004, to Aug. 7, 2005, depending on product.	Mar. 8, 2003	May 1, 2004 <sup>1</sup>
Chile	Carbon steel sheet, bar, and rod.	Definitive– Tariff rate of 10% imposed on imports exceeding quota levels.	July 2002 <sup>3</sup>	( <sup>2</sup> )
<sup>1</sup> Safeguards terminated with country's accession to the European Union. <sup>2</sup> No termination date specified. Source: World Trade Organization.				

**Table CORE-IV-72****Corrosion-resistant steel: Exports from subject countries, top 10 nonsubject countries, and all other countries, 2000-05**

Exporting country	2000	2001	2002	2003	2004	2005
Quantity (short tons)						
Japan	3,658,784	3,362,340	4,299,832	4,465,937	4,740,787	4,423,171
Korea	2,358,554	2,390,511	2,429,481	2,732,612	2,927,076	3,126,184
Germany	3,030,482	2,985,656	3,727,173	3,842,676	4,270,117	3,736,272
France	2,493,209	2,345,592	2,212,343	2,274,787	2,244,523	2,166,447
Canada	470,094	425,784	637,440	719,140	653,587	777,377
Australia ( <i>see note</i> )	294,178	335,729	276,563	250,101	206,005	97,073
Subtotal: Subject countries	12,305,302	11,845,611	13,582,832	14,285,254	15,042,095	14,326,523
Belgium	4,525,552	4,380,969	4,457,782	4,639,069	4,975,791	4,750,640
Taiwan	1,834,345	2,010,095	2,451,919	2,460,323	2,376,053	2,312,748
India	382,943	493,592	867,666	578,182	1,524,051	1,828,888
Austria	1,228,253	1,214,169	1,276,436	1,244,769	1,578,626	1,569,096
Netherlands	848,982	1,033,474	1,471,974	1,608,630	1,715,542	1,562,509
Italy	1,021,164	877,032	769,319	1,044,765	1,331,142	1,375,080
United States	849,902	807,549	705,012	664,590	740,255	1,061,327
Luxembourg	1,209,460	1,043,135	962,691	1,015,081	1,192,624	963,301
China	119,012	111,773	137,312	87,636	606,079	946,218
Hong Kong	708,154	620,263	792,229	842,223	824,995	708,992
Subtotal: Top 10 nonsubject countries	12,727,768	12,592,049	13,892,341	14,185,268	16,865,159	17,078,799
All other countries	6,098,166	5,569,294	6,326,573	6,398,311	6,066,508	5,733,147
World	31,131,236	30,006,955	33,801,745	34,868,833	37,973,762	37,138,469
Note.--Australia data are imports from Australia reported by partner countries because Australia export data are incomplete. Exports from Malaysia are excluded from this table because of data inconsistencies. HS codes included: 721030, 721041, 721049, 721061, 721069, 721070, 721220, 721230, 721240, and 721250.						
Source: Global Trade Atlas.						

According to published reports, U.S. mills entered the summer with backlogs stemming from unplanned outages and labor disputes. Demand for corrosion-resistant steel, especially by automakers, was reportedly somewhat less of a factor, while service centers reportedly began to re-stock inventories over the summer. After working through the effects of unplanned outages in the first half of 2006, views on supply availability going forward were more mixed, focusing on production cutbacks in response to inventory drawdowns by services centers (projected to continue into the first quarter of 2007), weakening demand in the auto sector, and slowing appliance sales.

The European market for flat products generally, including corrosion-resistant steel, continued to experience relatively strong demand during the summer, albeit with an expected seasonal pause in August.<sup>162</sup> Market commentators also noted extended delivery times in Europe, reflecting both demand for corrosion-resistant steel and, according to \*\*\*, “tight” supply-side management by European mills, particularly Arcelor-Mittal offsetting a degree of caution by sheet buyers in the fall of 2006.

<sup>162</sup> This growth in demand, however, reportedly was not shared by EG steel.

Demand in Asia is largely viewed as having rebounded since 2005, and over the course of the summer and fall underlying demand in Japan was observed to be strong, although demand in Korea (and Taiwan by the fall) was reportedly less so. Demand in the distribution chain, however, was viewed somewhat less optimistically, and with the seasonal slowdown in late summer, \*\*\* pointed to potential concerns in the sheet market generally (and market conditions in China more specifically) resulting from continued growth in capacity combined with somewhat diminished export prospects.<sup>163</sup> These concerns were somewhat mitigated, however, as a result of rising auto sector demand and maintenance outages in the fluctuating Chinese market.

### **Consolidation Among Global Producers**

The trend of consolidation in the steel industry has encompassed U.S. firms (see Part CORE-III) and foreign firms involved in the manufacture of corrosion-resistant steel. In particular, the merger of Mittal Steel and Arcelor to create the largest steel company in the world has brought together two giant companies, each itself the result of previous mergers and consolidations, with production facilities for corrosion-resistant steel in the following countries: Algeria, Brazil, Canada, France, Germany, Kazakhstan, Macedonia, Poland, South Africa, and the United States. The merger of Kawasaki Steel and NKK to form JFE Steel brought together the second and third largest steel companies in Japan, both of which were producers of corrosion-resistant steel.

### **Global Raw Material Availability and Prices**

In the production of corrosion-resistant steel, the most important material inputs are the cold-rolled steel substrate and the zinc used as the coating material. The cold-rolled substrate is normally produced from internally produced semifinished steel, although some producers are converters and purchase the cold-rolled substrate from either domestic producers or importers. The availability of the cold-rolled substrate has not been noted as a problem, although the price of cold-rolled steel has increased due to increases in raw material prices, including those of iron ore, scrap, alloys, and energy.

The world price of zinc, used to coat galvanized steel, has increased rapidly beginning in early 2005. The price of zinc fell gradually from around \$1,200 per metric ton in 2000 to around \$800 per metric ton in October 2003. The price was steady at that level through the first three quarters of 2003, after which it gradually increased to about \$1,300 per metric ton in the summer of 2005. Since then, the price of zinc has increased rapidly, reaching \$3,600 per metric ton in May of 2006, before easing to around \$3,300 per metric ton in August 2006.<sup>164</sup>

The increase in price has followed a rapid decline in stocks of zinc. LME warehouse stocks have declined from nearly 800,000 metric tons in early 2004, to under 180,000 metric tons in August 2006, the lowest inventory level in many years. The global zinc market was in deficit by 40,000 metric tons in the first six months of 2006, as world demand increased more than world output.<sup>165</sup> Most of the increases in demand were in Asia, where Chinese demand was estimated at 1.5 million tons, some 29 percent of the global total.<sup>166</sup>

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<sup>163</sup> See also American Metal Market, "China's Wuhan beginning trial run at first of 3 new galvanizing lines," August 23, 2006, found at [http://amm.com/2006-08-23\\_18-12-59.html](http://amm.com/2006-08-23_18-12-59.html), retrieved on September 24, 2006.

<sup>164</sup> LME Monthly Average Prices, [http://www.lme.co.uk/dataprices\\_monthlyaverages.asp](http://www.lme.co.uk/dataprices_monthlyaverages.asp).

<sup>165</sup> Platt's Metals Week, August 28, 2006, p. 6.

<sup>166</sup> Ibid.

## Regional Developments<sup>167</sup>

The *North American Free Trade Agreement (NAFTA)*, a free trade agreement between Canada, Mexico, and the United States, went into effect on January 1, 1994. This agreement was an expansion of the earlier Canada-U.S. Free Trade Agreement of 1989, which included only the United States and Canada.<sup>168</sup> NAFTA called for the immediate elimination of duties on half of all U.S. goods shipped to Mexico and Canada, and the gradual phasing out of other tariffs over a period of about 14 years. NAFTA created the world's largest free trade area, which now links 435 million people producing \$13.8 trillion worth of goods and services.<sup>169</sup>

Each NAFTA country retains its external tariffs vis-à-vis non-members' goods and levies a lower tariff on goods "originating" from the other NAFTA members. Rules of origin provide the basis for customs officials to make determinations about which goods are entitled preferential tariff treatment under the NAFTA.<sup>170</sup> According to USTR, "From 1993 to 2005, trade among the NAFTA nations climbed 173 percent, from \$297 billion to \$810 billion."<sup>171</sup>

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<sup>167</sup> This section discusses the North American Free Trade Agreement. For information on the European Union and Mercosur, please refer to Part CTL-IV.

<sup>168</sup> Canada-U.S. Free Trade Agreement, found at [http://archives.cbc.ca/IDD-1-73-536/politics\\_economy/free\\_trade/](http://archives.cbc.ca/IDD-1-73-536/politics_economy/free_trade/).

<sup>169</sup> Bilateral and Regional Negotiations, Office of the U.S. Trade Representative, January 2006, [www.ustr.gov](http://www.ustr.gov).

<sup>170</sup> The North America Free Trade Agreement, Foreign Affairs and International Trade Canada, June 2006, found at <http://www.dfait-maeci.gc.ca/nafta-alena/questions-en.asp>.

<sup>171</sup> "NAFTA: A Strong Record of Success," Office of the U.S. Trade Representative, March 2006, found at [http://www.ustr.gov/assets/Document\\_Library/Fact\\_Sheets/2006/asset\\_upload\\_file242\\_9156.pdf](http://www.ustr.gov/assets/Document_Library/Fact_Sheets/2006/asset_upload_file242_9156.pdf), retrieved on September 23, 2006.





## PART CORE-V: PRICING AND RELATED INFORMATION

### FACTORS AFFECTING PRICES

#### Raw Materials

The cost of raw materials, primarily iron ore, coal, and steel scrap that is used to produce cold-rolled steel,<sup>1</sup> is an important component of the total cost of producing corrosion-resistant steel. Public data show that prices in the United States of iron ore and coal rose during the January 2000 to September 2006 period, with the increase for iron ore occurring primarily in 2005 and 2006 (figure CORE-V-1).<sup>2</sup> The price of steel scrap in the United States decreased in 2000 and 2001 and then increased markedly. After a decrease in early 2005, scrap prices then increased through mid-2006 and have only fallen slightly in recent months. Public data also show that the prices of zinc and aluminum, which are the primary coating materials used for corrosion-resistant steel, began to increase in 2004. These price increases then accelerated in late 2005 through 2006 (figure CORE-V-2).<sup>3</sup>

Energy costs are another important factor in the production of corrosion-resistant steel. Both natural gas prices and electricity prices were higher in January-July 2006 than in any of the full years between 2000 and 2005, as shown in the following tabulation:

Item	2000	2001	2002	2003	2004	2005	2006 <sup>3</sup>
U.S. natural gas industrial price <sup>1</sup>	\$4.45	\$5.24	\$4.02	\$5.81	\$6.41	\$7.09	\$8.21
Electricity industrial price <sup>2</sup>	4.64	5.04	4.88	5.13	5.11	5.27	5.93
<sup>1</sup> In dollars per thousand cubic feet. <sup>2</sup> In cents per kilowatt-hour. <sup>3</sup> Monthly average for January through July. Sources: U.S. Energy Information Administration, <a href="http://www.eia.doe.gov">http://www.eia.doe.gov</a> .							

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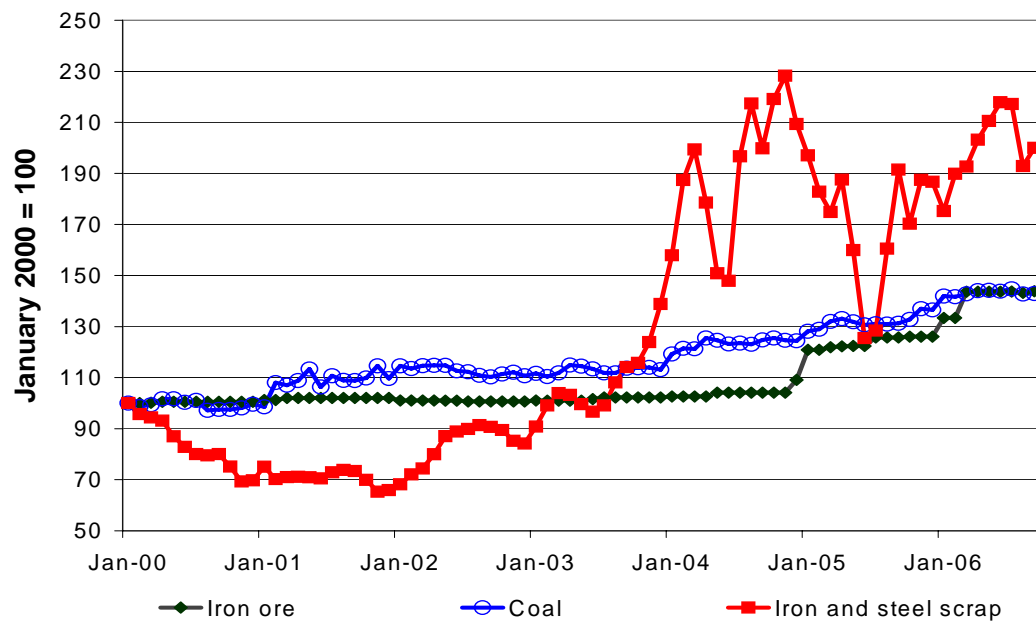
<sup>1</sup> Cold-rolled steel is the substrate for corrosion-resistant steel.

<sup>2</sup> Rising iron ore costs in 2006 reportedly have pushed steel price forecasts for the second half of 2006 up by about 19 percent. "Steel prices are likely to jump, adding to manufacturers' woes," *The Wall Street Journal*, May 24, 2006.

<sup>3</sup> U.S. producers have added surcharges, increased coating weight extras, or both due to rising zinc costs. "Buyers grumble as mills seek another sheet hike," American Metal Market, June 28, 2006. Zinc prices are expected to remain high in 2007, in part due to strong demand for galvanized products in the United States, the EU, and China. "Price of zinc to stay high into '07," American Metal Market, October 10, 2006.

**Figure CORE-V-1**

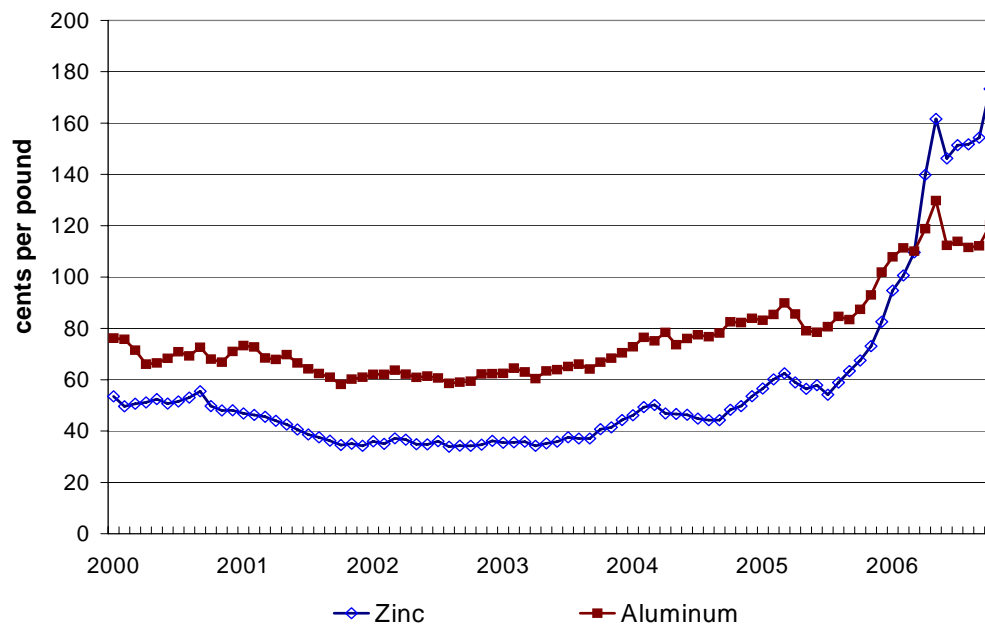
**Raw material costs: Producer price indexes (January 2000=100) of iron ore, coal, and iron and steel scrap in the United States, by months, January 2000-September 2006**



Source: U.S. Bureau of Labor Statistics, November 7, 2006.

**Figure CORE-V-2**

**Coating material costs: London Metal Exchange cash prices of zinc and aluminum, by months, January 2000-October 2006**



Source: American Metal Market, November 7, 2006.

Producers and importers were asked to what extent changes in the prices of raw materials had affected the selling price of corrosion-resistant steel since 2000. Fifteen producers reported that raw material prices, including the prices of coal, iron ore, hot- and cold-rolled coil, steel scrap, coating materials,<sup>4</sup> and energy-related products, increased substantially in late 2003 or 2004 through 2005.<sup>5</sup> Most importers reported that raw material price increases had a dramatic effect on corrosion-resistant steel prices, especially since 2004.

Ten producers reported using raw material surcharges or price increases during the duration of long-term contracts.<sup>6</sup> Two producers reported implementing surcharges on a pass-through basis, and two producers reported that they were not able to pass through the full amount.<sup>7</sup> Three producers reported using surcharges tied to index values, and one producer reported using a fuel surcharge. \*\*\* reported using temporary surcharges that went as high as \*\*\* per ton beginning in 2004 but reported that it no longer uses surcharges, and \*\*\* reported that it has not used surcharges in 2005 or 2006.

Three importers reported using surcharges or price increases during the duration of long-term contracts. Two importers reported that the raw material surcharge is tied to the zinc price on the London Metal Exchange.

### **Transportation Costs to the United States**

Transportation costs for shipping corrosion-resistant steel to the United States (excluding U.S. inland costs) from the six subject countries are estimated for 2005 in the tabulation that follows. These estimates are derived from official import data for the HTS statistical reporting numbers for the subject product in 2005 and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with a customs value basis.<sup>8</sup>

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<sup>4</sup> Rather than including zinc in raw material surcharges, U.S. producers reportedly use coating or galvanizing “extras,” which are calculated based on zinc prices and are dependent on the amount of zinc in the coatings. “Zinc’s new zoom,” American Metal Market, August 18, 2006, found at [http://amm.com/2006-08-18\\_11-07-27.html](http://amm.com/2006-08-18_11-07-27.html), retrieved September 1, 2006.

<sup>5</sup> \*\*\* reported that export taxes on scrap in Russia, Ukraine, and other countries have driven up world scrap prices. \*\*\* reported that it expects raw material prices, particularly for steel scrap, iron ore, and energy products, to remain high in the foreseeable future.

<sup>6</sup> Nucor and SDI reported that they have had contracts that provide for price increases and decreases based on changes in some raw material costs. Due to increases in the price of zinc, the two companies reported that they have included provisions for zinc price adjustments in non-automotive contracts for 2007 but that automotive manufacturers have not accepted the new provisions in their contracts. Nucor and SDI’s posthearing brief, answers to Commissioners’ questions, p. 43.

<sup>7</sup> \*\*\*. In addition, Mittal reported that domestic producers have not been able to fully pass along increased raw material costs to customers, particularly for large customers with contractual arrangements. Hearing transcript, p. 127 (Schorsch). However, auto producers reported that \*\*\*. In addition, auto producers reported that \*\*\*. Auto producers’ prehearing brief, pp. 28 and 30.

<sup>8</sup> These estimates are based on a weighted average of HTS statistical reporting numbers 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, and 7212.50.0000.

<b>Country</b>	<b>Estimated shipping cost in 2005 (in percent)</b>
Australia	13.06
Canada	1.74
France	7.20
Germany	6.93
Japan	9.05
Korea	7.33

### **U.S. Inland Transportation Costs**

U.S. inland transportation costs for delivery of corrosion-resistant steel vary widely. Fourteen responding producers estimated that U.S. inland transportation costs ranged from 3 to 8 percent of their costs of corrosion-resistant steel. Importers reported that U.S. inland transportation costs generally ranged from 1 to 8 percent of their costs of corrosion-resistant steel.<sup>9</sup> Twenty of the 34 responding purchasers reported that inland transportation costs are a major factor in their firms' consideration of which suppliers to source from, and most reported that inland transportation costs accounted for 1.5 to 10 percent of the total cost of the corrosion-resistant steel that they purchase. \*\*\*, however, reported that inland transportation costs accounted for as much as 12 to 15 percent of the total cost when sourcing from certain suppliers.

Sixteen of the 17 responding producers reported that they arranged delivery, and ten shipped 70 percent or more of their corrosion-resistant steel between 101 and 1,000 miles. Three producers reported shipping 60 percent or more of their corrosion-resistant steel less than 100 miles. Among importers, 13 of the 25 responding firms reported that they arranged delivery, 11 reported that the purchaser arranged delivery, and one reported that both producer and purchaser arranged delivery. While eight importers (seven importing from subject countries) reported shipping 75 percent or more of their corrosion-resistant steel less than 100 miles, five importers (all importing from subject countries) shipped at least 70 percent of their corrosion-resistant steel between 101 and 1,000 miles, and three importers (two importing from subject countries) shipped at least 80 percent more than 1,000 miles.

### **Exchange Rates<sup>10</sup>**

Quarterly data reported by the International Monetary Fund indicate that both the real and nominal values of the Australian dollar appreciated and then depreciated relative to the U.S. dollar during the period for which data were collected (figure CORE-V-3), while the real and nominal values of the Canadian dollar, the euro (France and Germany), and the Korean won first depreciated and then appreciated relative to the U.S. dollar. The nominal value of the Japanese yen fluctuated but was

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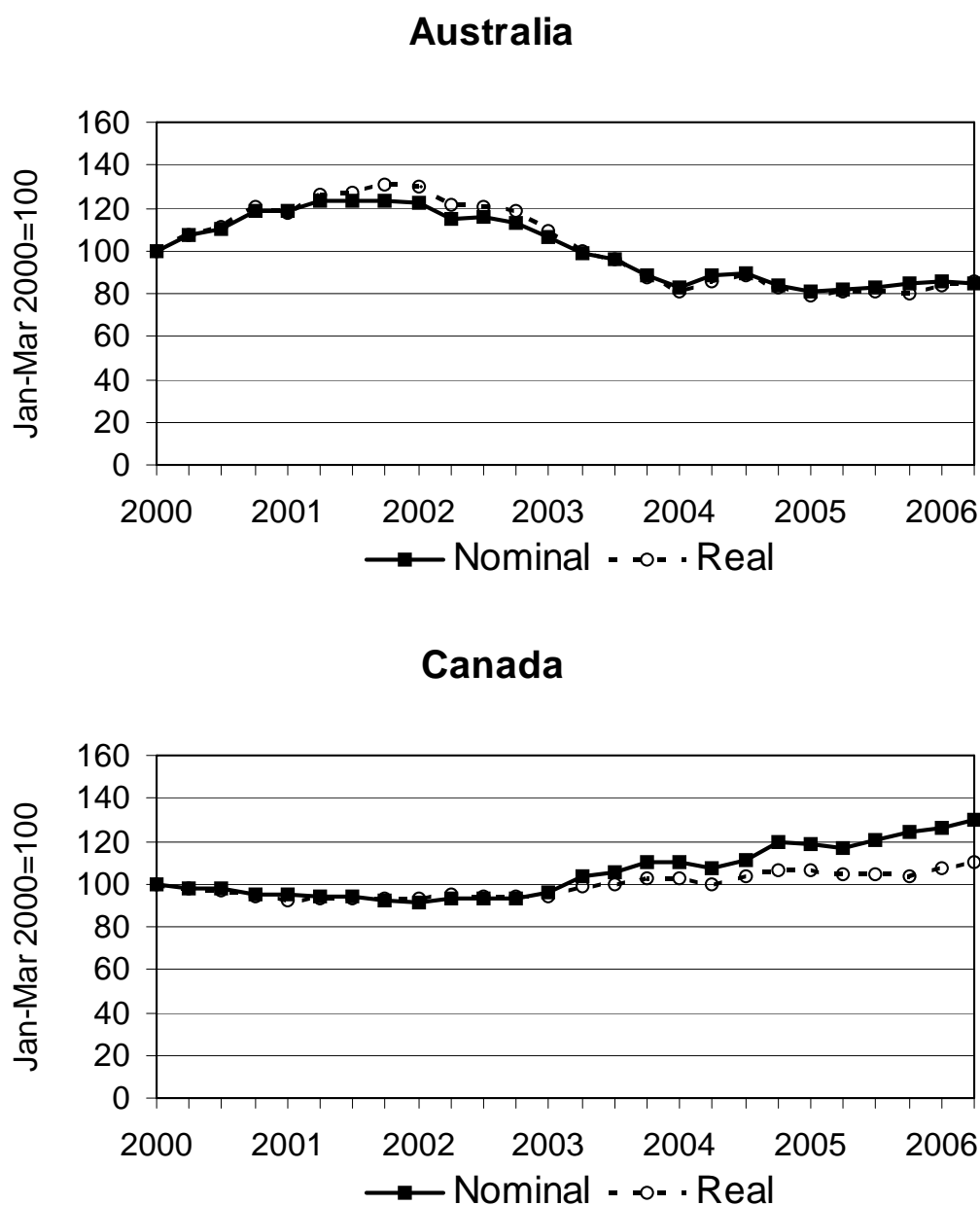
<sup>9</sup> \*\*\*, however, reported that inland transportation costs accounted for 15 percent of the total cost of corrosion-resistant steel, and \*\*\* reported that inland transportation costs accounted for 20 percent.

<sup>10</sup> Joint respondents reported that the substantial decline in the U.S. dollar limits the potential benefits to foreign producers of increasing shipments to the U.S. market. Joint respondent interested parties' prehearing brief, p. 24 and exhibit 3. In addition, Dofasco reported that the appreciation of the Canadian dollar has made increased U.S. shipments less likely. Hearing transcript, pp. 401-402 (Davey).

approximately the same in early 2006 as it was in early 2000, while the real value of the currency depreciated relative to the U.S. dollar.

**Figure CORE-V-3**

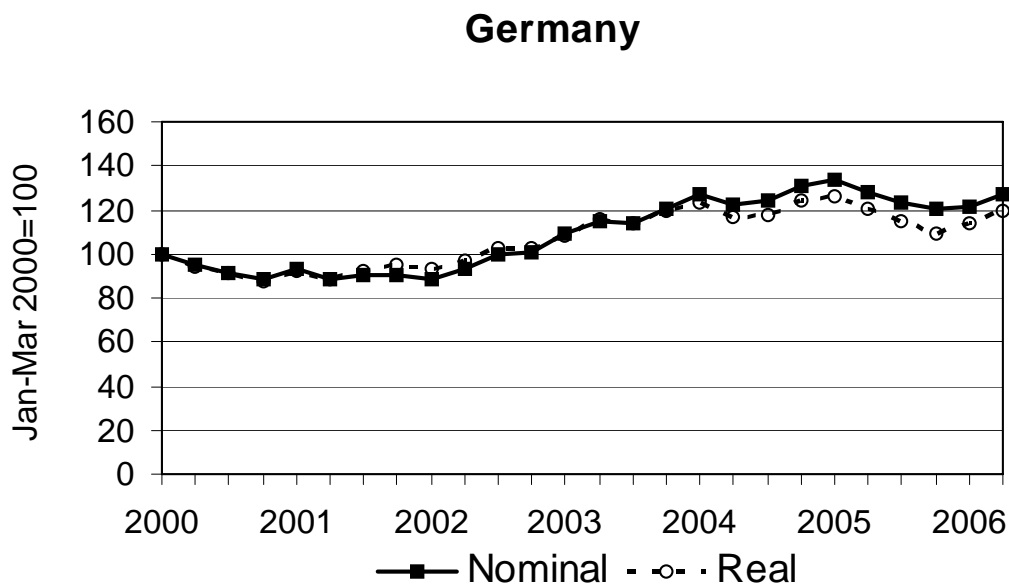
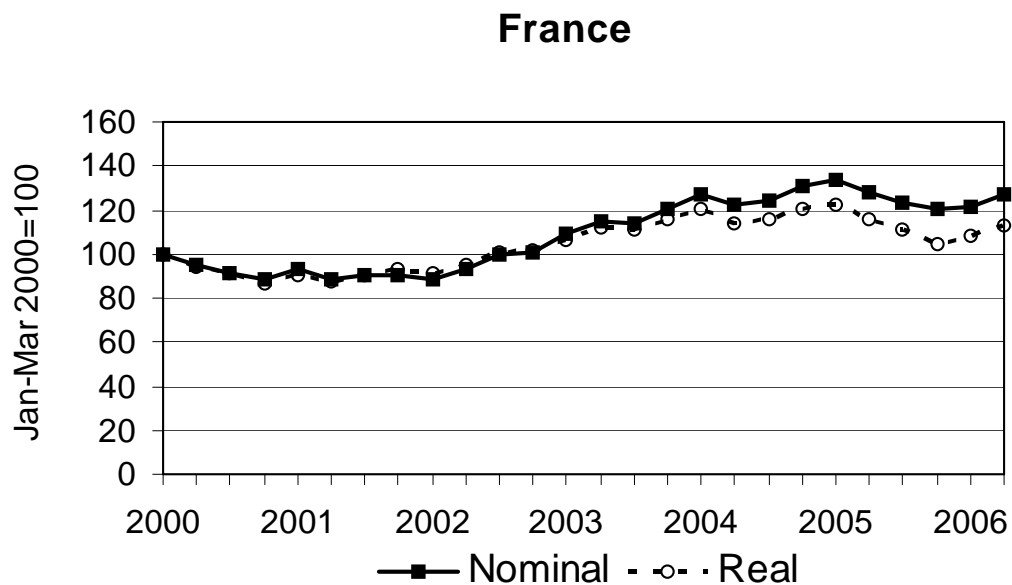
**Exchange rates: Indices of the nominal and real exchange rates of the Australian, Canadian, French, German, Japanese, and Korean currencies relative to the U.S. dollar, by quarters, January 2000-June 2006**



*Figure continued on next page.*

**Figure CORE-V-3--Continued**

**Exchange rates:** Indices of the nominal and real exchange rates of the Australian, Canadian, French, German, Japanese, and Korean currencies relative to the U.S. dollar, by quarters, January 2000-June 2006

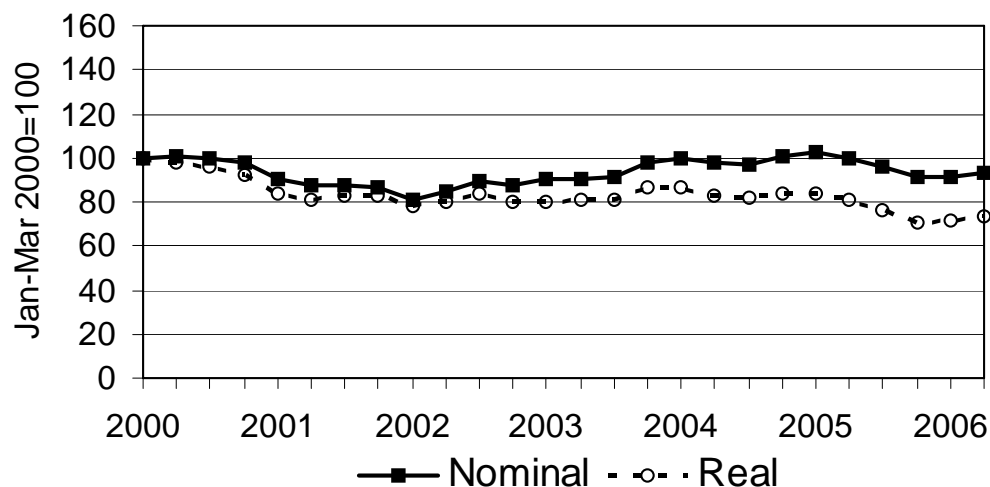


*Figure continued on next page.*

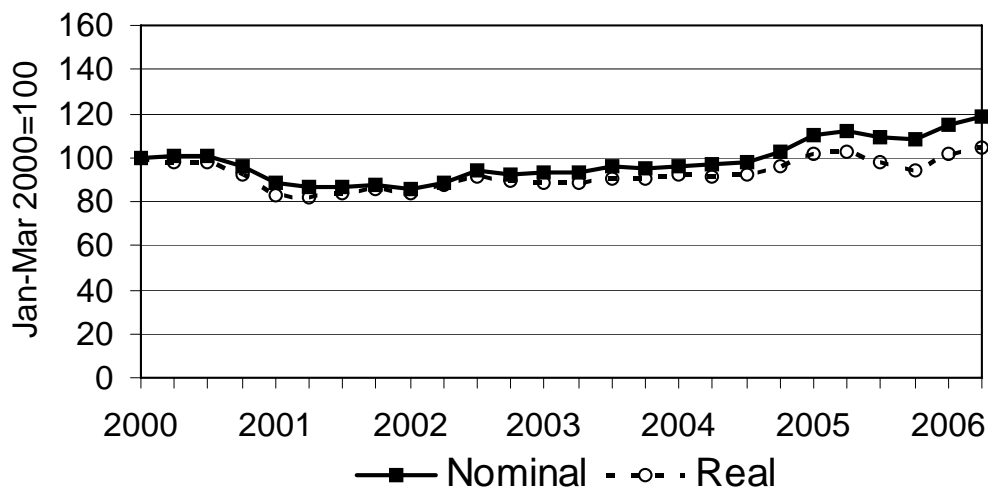
Figure CORE-V-3--*Continued*

Exchange rates: Indices of the nominal and real exchange rates of the Australian, Canadian, French, German, Japanese, and Korean currencies relative to the U.S. dollar, by quarters, January 2000-June 2006

## Japan



## Korea



Source: International Monetary Fund, *International Financial Statistics*, retrieved from <http://ifs.apdi.net/imf/about.asp> on October 26, 2006.

## **PRICING PRACTICES**

### **Pricing Methods**

Producers generally reported determining prices on a transaction-by-transaction basis, based on market conditions and raw material costs. Six responding producers reported having contracts for multiple shipments, four producers reported using base prices and published extras, and three producers reported using price lists.<sup>11</sup> Importers also reported determining prices on a transaction-by-transaction basis based on market conditions. Four importers reported contract pricing, and none reported using price lists. \*\*\* reported using a pricing matrix, and \*\*\* reported using a computer model.

Most purchasers reported contacting between two and six suppliers before making a purchase.<sup>12</sup> Five purchasers reported only contacting one supplier, and three purchasers reported contacting up to nine suppliers.<sup>13</sup> Thirty of the 34 responding purchasers reported that purchases of corrosion-resistant steel usually involve negotiations between supplier and purchaser, with some explaining that prices are market driven, but that the base price and extras are part of the negotiations. Some purchasers reported that they give target prices, with four purchasers reporting that they quote competing prices and six reporting that they do not. Sixteen purchasers reported varying their purchases from a given supplier based on the price offered for a specified period, with the time period being monthly or quarterly. Four purchasers reported that they vary their purchases annually or based on the length of their contracts.<sup>14</sup>

Sixteen of the 34 responding purchasers reported that the price of corrosion-resistant steel changes monthly or quarterly, with nine reporting annually and five reporting that it varies based on set contracts. Purchasers reported that market conditions, raw material prices, inventory levels, capacity, and transportation costs are the main reasons for price changes.

AK Steel (4), U.S. Steel (3), Nucor (2), and Corus (2) were named by purchasers as influencing the U.S. wholesale market price of corrosion-resistant steel since 2000, citing their initiation of raw material surcharges and extras and increases in those surcharges and extras.

### **Sales Terms and Discounts**

Fourteen producers and seven importers reported that they normally quote f.o.b. prices; one producer and eight importers commonly quote on a delivered basis; and three producers and one importer reported doing both. Producers' sales terms are generally 0.5/10 net 30 days, and importers' are generally net 30 days. Three producers reported that sales terms are net 30 days, and three reported that sales terms are 0.75/10 net 30 days. Eight of 20 producers reported that 85 percent or more of their sales are on a spot basis. Six producers (\*\*\*) reported that 60 percent or more of their sales are on a long-term contract basis,<sup>15</sup> three reported that 58 percent or more of their sales are on a short-term contract basis, and the

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<sup>11</sup> \*\*\* reported that base prices are adjusted to meet competitive market prices where commercially necessary.

<sup>12</sup> \*\*\* reported that it contacts five suppliers; three U.S. producers and two importers.

<sup>13</sup> \*\*\* reported that it issues a request for quotation annually to approximately 50 suppliers.

<sup>14</sup> Auto producers reported that they generally have contracts with individual producers to supply steel for certain auto parts and that the life of the vehicles is multiple years. Hearing transcript, pp. 431-433 (Cover). Dofasco reported that auto companies typically source steel for auto parts from an individual producer on a multi-year basis and that changes in the level of Canadian exports have been a result of auto producers shifting production of certain vehicles between plants in Canada and plants in the United States and Mexico. Hearing transcript, pp. 394-397 (Kenny) and Canadian respondent interested parties' prehearing brief, pp. 5-7.

<sup>15</sup> U.S. Steel reported that automotive and appliance end users tend to favor longer-term contracts, whereas the construction industry is more short-term and project-based. Hearing transcript, pp. 231-232 (Goodish). Nucor  
(continued...)



remaining producers reported a mix of long-term, short-term, and spot sales.<sup>16</sup> Among importers, nine of the 23 responding firms reported that 75 percent or more of their sales are on a short-term contract basis, and eight reported that 95 percent or more of their sales are on a spot basis. Only four importers reported some sales on a long-term contract basis.

Producers generally reported that long-term contracts are from one to two years,<sup>17</sup> with either price only or both price and quantity fixed, and no meet-or-release provisions.<sup>18</sup> The majority of producers reported that renegotiations are possible for long-term contracts. Short-term contracts are generally from one to six months, with either price only or both price and quantity fixed, and no renegotiations or meet-or-release provisions. Generally, importers reported that long-term contracts are from one to three years with both price and quantity fixed and no renegotiations or meet-or-release provisions. Importers also reported that short-term contracts are usually one to six months in duration, with both price and quantity fixed, no renegotiations, and no meet-or-release provisions.

Ten of the 17 responding producers reported having a discount policy; five reporting volume discounts, two reporting discounts for early payment, and three not specifying a specific discount policy. Nineteen importers reported that they did not have a discount policy. Three importers reported offering volume discounts and one reported offering discounts for early payment. No producer reported offering financing to U.S. purchasers of corrosion-resistant steel, and two importers reported that they may offer extended terms up to 90 days.

## PRICE DATA

The Commission requested U.S. producers and importers of corrosion-resistant steel to provide quarterly data for the total quantity and f.o.b. value of corrosion-resistant steel that was shipped to unrelated customers in the U.S. market. Data were requested for contract and non-contract sales for the period January 2000 to June 2006. The products for which pricing data were requested are as follows:<sup>19</sup>

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<sup>15</sup> (...continued)

reported that its contract business was generally with automotive, appliance, and HVAC end users. Hearing transcript, p. 232 (DiMicco). Steel Dynamics reported that its contract business covered all market segments. Hearing transcript, p. 232 (Nolan).

<sup>16</sup> U.S. producers reported that some of their multi-year contracts did not allow for increased prices, despite increased raw material costs and that auto companies have been pushing for shorter-term contracts. Hearing transcript, pp. 167-168, 226, and 235-236 (Scherrbaum), pp. 224-225 and 235 (Schorsch), and pp. 248 and 295 (Goodish). However, some of the auto producers reported that in the past, U.S. producers valued high-volume, contract-based business but that since 2004, U.S. suppliers have been reluctant to enter into long-term contracts, which used to involve flat or declining prices but that now come at a price premium. In addition, some contracts now contain volume limitations. Hearing transcript, pp. 373-374 (DeSandre), pp. 377-378 (Mohatarem), and p. 434 (King) and auto producers' posthearing brief, appendix, pp. 32-40.

<sup>17</sup> \*\*\* reported long-term contracts of 6 to 12 months, and \*\*\* reported long-term contracts of three years.

<sup>18</sup> Auto producers reported that it is common for long-term contracts between suppliers and auto companies to contain estimated volumes for each part number and that it requires flexibility to supply the volume of steel for the parts as production levels vary. Hearing transcript, pp. 431-433 (Cover). Toyota reported that in 2005, it approached suppliers with an increase in volume but that suppliers were not able to support it, which was a change from Toyota's past experience with steel producers. Hearing transcript, p. 433 (Nielsen).

<sup>19</sup> Products 1 through 7 are the same pricing items as specified in the first reviews. Product 8 was added as requested by the joint respondent interested parties.

**Product 1.**–Hot-dipped galvanized carbon steel sheet, in coils, ASTM A-653, DQSK, minimum spangle, G-40 to G-60 coating weight (Z120 to Z180 in metric coating weight), 40 inches through 70 inches in width, 0.018 inches to under 0.020 inches in thickness;

**Product 2.**–Aluminum-zinc alloy coated carbon steel sheet, in coils, hot dipped, structural quality, ASTM A-792, Grade 50, AZ50, 40 inches through 49 inches in width, 0.019 inches through 0.0219 inches in thickness; this product has a coating of 55 percent aluminum, 43.5 percent zinc, and 1.5 percent silicon, and has a variety of product names worldwide, including “Galvalume,” “Zincalume,” “Aluzink,” “Zinkalit,” and “Zalutite”;

**Product 3.**–Aluminized or aluminum-coated carbon steel sheet, in coils, ASTM A-463, Type 1, CS Type B, T-140 coating, 40 inches through 50 inches in width, 0.044 inches through 0.052 inches in thickness; this product is hot-dipped, with an aluminum-silicon coating consisting of 5 to 11 percent silicon and the balance aluminum;

**Product 4.**–Hot-dipped galvanized carbon steel sheet, in coils, ASTM A-653, structural quality, Grade 80, <G60, regular or minimum spangle, not annealed, 40 inches through 70 inches in width, 0.018 inches to under 0.020 inches in thickness;

**Product 5.**–Hot-dipped Zn-Iron (galvannealed) carbon steel sheet, in coils, ASTM A-653, A-50 or lower coating weight, forming steel (DQSK), 40 inches through 70 inches in width, 0.022 inches to under 0.044 inches in thickness;

**Product 6.**–Electrolytically zinc-coated carbon steel sheet, in coils, ASTM A-879, 50-90 grams/square meter per side coating, without organic coating, forming steel, 40 inches to under 60 inches in width, 0.022 to under 0.044 in thickness;

**Product 7.**–Hot-dipped Zn-Iron (galvannealed) carbon steel sheet, in coils, coating weight 45A-45A, 24 inches to under 40 inches in width, 0.060 to under 0.085 in thickness; and

**Product 8.**–Hot-dipped galvanized carbon steel sheet, in coils, bake hardenable, 40 inches through 70 inches in width, 0.020 inches through 0.035 inches in thickness, coating weight 60G-60G.

Thirteen U.S. producers<sup>20</sup> and 10 importers<sup>21</sup> provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Pricing data reported by these firms, shown in tables CORE-V-1 to CORE-V-16 and figures CORE-V-4 to CORE-V-11, accounted for 3.3 percent of U.S. producers’ U.S. shipments of corrosion-resistant steel, \*\*\* percent

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<sup>20</sup> \*\*\* reported that the only product it produced during the review period was \*\*\* but since it represented \*\*\* percent of its total production, it considered \*\*\* data as “negligible” and did not report any pricing data. \*\*\* reported that within the narrow gauge ranges specified for \*\*\*, there was only a remote possibility that it produced the products and so did not report any pricing data. \*\*\* reported annual pricing data. \*\*\* could not report data for 2000 or 2001. \*\*\* reported estimates of contract and non-contract sales based on whether customers were primarily contract or non-contract customers. \*\*\* reported that \*\*\* were the only pricing products for which it would have had shipments since 2000 but that it could not report any data due to its system setup and routine system purging.

<sup>21</sup> \*\*\* reported that it does not track pricing data by coating weight or grade and so did not report any pricing data. \*\*\* reported some data for imports from Japan where the value included \*\*\*, and so these data are not included in the tables. \*\*\* only reported pricing data from nonsubject countries, specifically \*\*\*.

of U.S. imports from Canada, \*\*\* percent of U.S. imports from Germany, \*\*\* percent of U.S. imports from Japan, and \*\*\* percent of U.S. imports from Korea in 2005.

**Table CORE-V-1**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of contract sales as reported by U.S. producers and importers of product 1, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-2**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of non-contract sales as reported by U.S. producers of product 1, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-3**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of contract sales as reported by U.S. producers and importers of product 2, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-4**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of non-contract sales as reported by U.S. producers of product 2, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-5**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of contract sales as reported by U.S. producers and importers of product 3, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-6**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of non-contract sales as reported by U.S. producers of product 3, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-7**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of contract sales as reported by U.S. producers and importers of product 4, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-8**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of non-contract sales as reported by U.S. producers and importers of product 4, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-9**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of contract sales as reported by U.S. producers and importers of product 5, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-10**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of non-contract sales as reported by U.S. producers and importers of product 5, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

Table CORE-V-11

Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of contract sales as reported by U.S. producers and importers of product 6,<sup>1</sup> and margins of underselling/(overselling), by quarters, January 2000-June 2006

Period	U.S. producers		Imports from Germany, <sup>2</sup> Japan, and Korea ( <i>supressed</i> )		
	Contract sales				
	Quantity	Price	Quantity	Price	Margin
	<i>Short tons</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Per short ton</i>	<i>Percent</i>
2000:					
Jan.-Mar.	63,349	\$659.05	***	***	***
Apr.-June	66,825	657.70	***	***	***
July-Sept.	59,579	648.22	***	***	***
Oct.-Dec.	57,309	641.56	***	***	***
2001:					
Jan.-Mar.	49,218	630.01	***	***	***
Apr.-June	60,923	629.91	***	***	***
July-Sept.	44,350	620.88	***	***	***
Oct.-Dec.	45,393	611.92	***	***	***
2002:					
Jan.-Mar.	47,189	623.58	***	***	***
Apr.-June	54,298	622.37	***	***	***
July-Sept.	45,434	628.12	***	***	***
Oct.-Dec.	47,263	638.46	***	***	***
2003:					
Jan.-Mar.	41,289	666.68	***	***	***
Apr.-June	40,353	658.77	***	***	***
July-Sept.	38,010	654.74	***	***	***
Oct.-Dec.	38,001	645.44	***	***	***
2004:					
Jan.-Mar.	36,863	674.32	***	***	***
Apr.-June	37,244	752.60	***	***	***
July-Sept.	30,145	791.92	***	***	***
Oct.-Dec.	27,308	759.78	***	***	***
2005:					
Jan.-Mar.	37,990	750.59	***	***	***
Apr.-June	40,591	763.81	***	***	***
July-Sept.	35,100	717.47	***	***	***
Oct.-Dec.	42,231	730.99	***	***	***
2006:					
Jan.-Mar.	46,153	789.84	***	***	***
Apr.-June	45,062	797.95	***	***	***
<sup>1</sup> Product 6.—Electrolytically zinc-coated carbon steel sheet, in coils, ASTM A-879, 50-90 grams per square meter per side coating, without organic coating, forming steel, 40" to under 60" in width, 0.022" to under 0.044" in thickness. <sup>2</sup> Data for imports from Germany have been revised since the prehearing staff report.					
Source: Compiled from information submitted in response to Commission questionnaires.					

Table CORE-V-12

Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of non-contract sales as reported by U.S. producers of product 6,<sup>1</sup> by quarters, January 2000-June 2006<sup>2</sup>

Period	U.S. producers	
	Non-contract sales	
	Quantity	Price
	Short tons	Per short ton
2000:		
Jan.-Mar.	12,801	\$551.30
Apr.-June	13,154	587.92
July-Sept.	16,019	551.00
Oct.-Dec.	12,474	546.05
2001:		
Jan.-Mar.	10,766	518.84
Apr.-June	8,493	543.00
July-Sept.	6,698	527.94
Oct.-Dec.	8,460	470.34
2002:		
Jan.-Mar.	14,582	533.80
Apr.-June	11,759	541.82
July-Sept.	9,946	559.32
Oct.-Dec.	10,471	579.33
2003:		
Jan.-Mar.	8,811	535.17
Apr.-June	6,969	540.99
July-Sept.	6,468	608.21
Oct.-Dec.	6,868	537.29
2004:		
Jan.-Mar.	7,016	638.08
Apr.-June	10,139	780.83
July-Sept.	7,467	870.01
Oct.-Dec.	4,922	840.91
2005:		
Jan.-Mar.	7,249	775.45
Apr.-June	6,408	844.13
July-Sept.	5,795	746.34
Oct.-Dec.	5,850	772.31
2006:		
Jan.-Mar.	6,008	771.73
Apr.-June	7,673	804.67
<sup>1</sup> Product 6.—Electrolytically zinc-coated carbon steel sheet, in coils, ASTM A-879, 50-90 grams per square meter per side coating, without organic coating, forming steel, 40" to under 60" in width, 0.022" to under 0.044" in thickness.		
<sup>2</sup> ***		
Source: Compiled from information submitted in response to Commission questionnaires.		

**Table CORE-V-13**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of contract sales as reported by U.S. producers and importers of product 7, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-14**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of non-contract sales as reported by U.S. producers of product 7, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-15**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of contract sales as reported by U.S. producers and importers of product 8, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

**Table CORE-V-16**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices and quantities of non-contract sales as reported by U.S. producers and importers of product 8, and margins of underselling/(overselling), by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CORE-V-4**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 1, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CORE-V-5**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 2, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CORE-V-6**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 3, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CORE-V-7**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 4, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CORE-V-8**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 5, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CORE-V-9**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 6, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CORE-V-10**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 7, by quarters, January 2000-June 2006**

\* \* \* \* \*

**Figure CORE-V-11**

**Corrosion-resistant steel: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 8, by quarters, January 2000-June 2006**

\* \* \* \* \*

### **Price Trends**

Among Commission pricing products 1, 3, 4, and 6, U.S. prices of corrosion-resistant steel showed relatively little change from 2000 through 2003. Price increases for those four products began in the first quarter of 2004, with some leveling off or small decreases in late 2004 or early 2005. Products 1 and 4 then showed price increases in the first half of 2006.<sup>22</sup> Prices of product 2 increased beginning in 2004 as well but also showed more volatility in 2000 through 2003, especially for non-contract sales. The prices of products 5, 7, and 8<sup>23</sup> showed little change over the period for contract sales, while prices of non-contract sales increased over the period for products 5 and 7. With the exceptions of products 5, 7, and 8, contract and non-contract prices generally followed the same trend.<sup>24</sup>

Prices of imports of products 2 and 6 from Korea, product 6 from Germany, and products 7 and 8 from Canada followed the general U.S. price trend. For the other products imported from Germany, Korea, and Japan, there was too little data reported by importers to comment on the price trends.

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<sup>22</sup> Mittal announced a \$30 per ton increase on coated sheet products effective with July 2006 shipments. The move reportedly puts its prices more in line with other competitors. "Mittal reevaluates mart, ups sheet product tags," American Metal Market, May 24, 2006, found at [http://amm.com/2006-05-23\\_15-56-26.html](http://amm.com/2006-05-23_15-56-26.html), retrieved September 1, 2006. Nucor, Mittal, and U.S. Steel announced a \$20 per ton increase on hot-dipped galvanized sheet products effective August 1, 2006. "Flat-rolled demand seen holding firm to year-end," American Metal Market, July 4, 2006, found at [http://amm.com/2006-07-03\\_17-44-39.html](http://amm.com/2006-07-03_17-44-39.html), retrieved September 1, 2006. California Steel Industries and USS-POSCO increased prices in both July and August 2006, in part due to rising zinc costs. "West Coast braces for next round of flat-rolled hikes," American Metal Market, June 6, 2006, found at [http://amm.com/2006-06-06\\_14-58-20.html](http://amm.com/2006-06-06_14-58-20.html), retrieved September 1, 2006. However, California Steel Industries announced a cut in galvanized prices for October 2006 and USS-POSCO cancelled a planned increase in price. "West Coast flat-roll prices on course for October drop," American Metal Market, August 17, 2006, found at [http://amm.com/2006-08-17\\_16-02-49.html](http://amm.com/2006-08-17_16-02-49.html), retrieved September 1, 2006.

<sup>23</sup> Mittal reported that products 1 through 4 are typically for customers in non-automotive sectors, such as construction, and that products 5 through 8 are higher value-added products for the automotive sector. Mittal's posthearing brief, answer to Commissioner Koplan's question 1. Dofasco reported that product 8, a bake hardenable product, is a typical contractual-priced product and that contract pricing is still catching up to market pricing. Hearing transcript, pp. 511-512 (Kenny).

<sup>24</sup> Mittal reported that recently negotiated contracts for 2007 will reflect price increases because long-term contract prices have recently lagged behind spot prices. Mittal's posthearing brief, answer to Commissioner Hillman's question 1.



Importers responding to Commission questionnaires did not report data for imports from Australia or France.

Purchasers were asked if there had been a change in the price of corrosion-resistant steel since 2000 and, if so, how the price of domestic corrosion-resistant steel changed relative to the price of corrosion-resistant steel produced in the various subject countries. Three purchasers reported that there has been no change in price, and 17 purchasers reported that prices have changed by the same amount. The responses for how U.S. prices reportedly changed relative to the various subject countries is reported in the following tabulation:<sup>25</sup>

<b>Country</b>	<b>Price of U.S. product is now relatively higher than price of subject country product</b>	<b>Price of U.S. product is now relatively lower than price of subject country product</b>
France	1	0
Germany	1	0
Japan	0	1
Korea	3	1

### **Price Comparisons**

As shown in table CORE-V-17, subject imports from Canada, Germany, Japan, and Korea undersold the comparable U.S. product in 57 of 161 comparisons.

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<sup>25</sup> One purchaser reported that the price of U.S. corrosion-resistant steel is now higher than the price of the product from all other countries, and four purchasers reported that the price of the U.S. product is now higher than the price of the product from various nonsubject countries, including Brazil, China, Mexico, Taiwan, and the United Kingdom.

Table CORE-V-17

**Corrosion-resistant steel: Instances of underselling/(overselling) and the range and average margins for products 1-8, by source country,<sup>1</sup> January 2000-June 2006<sup>2</sup>**

Country	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
Canada	31	0.5 to 46.3	8.4	19	0.1 to 48.5	12.8
Germany <sup>3</sup>	8	0.0 to 24.3	6.8	30	1.0 to 108.8	16.3
Japan	5	4.3 to 15.8	8.4	15	11.2 to 111.0	32.9
Korea	13	0.9 to 26.7	12.2	40	1.6 to 128.7	35.4

<sup>1</sup> Importers responding to Commission questionnaires did not report data for imports from Australia or France.

<sup>2</sup> In the first reviews, there were 160 possible price comparisons between U.S.-produced corrosion-resistant steel and imports from Canada, Germany, Japan, and Korea. In 74 of those, subject imports undersold the domestic product; in the remaining 86 instances, subject product oversold the domestic product. For Canada, there were 13 instances of underselling and no instances of overselling, with an average margin of underselling of 7.5 percent. For Germany, there were no instances of underselling and 15 instances of overselling. For Japan, there were 14 instances of underselling and 9 instances of overselling, with an average margin of underselling of 13.5 percent. For Korea, there were 47 instances of underselling and 62 instances of overselling, with an average margin of underselling of 14.9 percent. In the original investigations, there were 142 possible price comparisons between U.S.-produced corrosion-resistant steel and imports from Australia, Canada, France, Germany, Japan, and Korea. In 47 of those comparisons, subject imports undersold the domestic product; in the remaining 95 instances, the subject product oversold the domestic product. For Australia, there were no instances of underselling and 2 instances of overselling. For Canada, there was 3 instances of underselling and 11 instances of overselling, with margins of underselling ranging from 6.6 to 24.5 percent. For France, there were 10 instances of underselling and 8 instances of overselling, with margins of underselling ranging from 2.6 to 16.0 percent. For Germany, there was 1 instance of underselling and 26 instances of overselling, with a margin of underselling of 3.9 percent. For Japan, there were 22 instances of underselling and 35 instances of overselling, with margins of underselling ranging from 1.5 to 25.1 percent. For Korea, there were 11 instances of underselling and 13 instances of overselling, with margins of underselling ranging from 5.0 to 30.2 percent.

<sup>3</sup> Data for imports from Germany were revised following the prehearing staff report.

Source: Compiled from data submitted in response to Commission questionnaires; *Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom*, Inv. Nos. AA1921-197, 701-TA-231, 319-320, 322, 325-328, 340, 342, 348-350, and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, 614-618 (Review), USITC Publication 3364 (November 2000); and *Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom*, Inv. Nos. 701-TA-319-332, 334, 336-342, 344, 347-353, and 731-TA-573-579, 581-592, 594-597, 599-609, 612-619 (Final), USITC Publication 2664 (August 1993).

## Canada

Prices for contract sales of imports from Canada were below prices for contract sales of U.S. product 7 in 24 of 26 quarters where comparisons were possible, with margins of underselling ranging from 0.5 to 13.9 percent (table CORE-V-13).<sup>26</sup> Prices for contract sales of imports from Canada were below prices for contract sales of U.S. product 8 in 7 of 24 quarters where comparisons were possible, with margins of underselling ranging from 1.2 to 46.3 percent (table CORE-V-15). In the 17 quarters of overselling, the margins ranged from 0.8 to 48.5 percent.

<sup>26</sup> Dofasco reported that for product 7, \*\*\*. For product 8, it reported that \*\*\*. Staff telephone interview with \*\*\*, September 19, 2006.

## **Germany**

Prices for contract sales of imports from Germany were below prices for contract sales of U.S. product 6 in 4 of 26 quarters where comparisons were possible, with margins of underselling ranging from 0.0<sup>27</sup> to 4.0 percent (table CORE-V-11).<sup>28</sup> In the other 22 quarters, margins of overselling ranged from 1.0 to 33.2 percent. Prices for contract sales of imports from Germany were below prices for contract sales of U.S. products 1, 2, 3, and 8 in 4 of 12 quarters where comparisons were possible, with margins of underselling ranging from 2.2 to 24.3 percent (tables CORE-V-1, CORE-V-3, CORE-V-5, and CORE-V-15). In the other eight quarters, margins of overselling ranged from 3.1 to 108.8 percent.

## **Japan**

Prices for contract sales of imports from Japan were below prices for contract sales of U.S. product 6 in 5 of the 17 quarters where comparisons were possible, with margins of underselling ranging from 4.3 to 15.8 percent (table CORE-V-11). In the other 12 quarters, margins of overselling ranged from 11.2 to 40.4 percent. Prices for non-contract sales of imports from Japan were above prices for non-contract sales of U.S. products 4 and 5 in all three quarters where comparisons were possible (tables CORE-V-8 and CORE-V-10).<sup>29</sup>

## **Korea**

Prices for contract sales of imports from Korea were below prices for contract sales of U.S. products 2, 3, and 6 in 13 of 31 quarters where comparisons were possible, with margins of underselling ranging from 0.9 to 26.7 percent (tables CORE-V-3, CORE-V-5, and CORE-V-11). In the 18 quarters of overselling, margins ranged from 1.6 to 59.0 percent. Prices for contract sales of imports from Korea were above prices for contract sales of U.S. products 1, 4, 5, and 7 in all 22 quarters where comparisons were possible (tables CORE-V-1, CORE-V-7, CORE-V-9, and CORE-V-13).

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<sup>27</sup> \*\*\*.

<sup>28</sup> Data for imports from Germany of product 6 have been revised since the prehearing staff report.

<sup>29</sup> \*\*\*. Staff telephone interview with \*\*\*, August 11, 2006.



## **APPENDIX A**

### ***FEDERAL REGISTER* NOTICES AND STATEMENT ON ADEQUACY**



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**INTERNATIONAL TRADE  
COMMISSION**

[Investigation Nos. AA1921–197 (Second Review); 701–TA–319, 320, 325–328, 348, and 350 (Second Review); and 731–TA–573, 574, 576, 578, 582–587, 612, and 614–618 (Second Review)]

**Certain Carbon Steel Products From Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom**

**AGENCY:** International Trade Commission.

**ACTION:** Institution of five-year reviews concerning the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom.

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**SUMMARY:** The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;<sup>1</sup> to be assured of consideration, the deadline for

responses is December 21, 2005. Comments on the adequacy of responses may be filed with the Commission by January 17, 2006. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**EFFECTIVE DATE:** November 1, 2005.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting

the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

*Background.*—On the dates listed below, countervailing duty and antidumping duty orders on the subject imports were issued:

Order date	Product/Country	Inv. No.	FR cite
6/13/79	Carbon steel plate/Taiwan	AA1921–197	44 FR 33877
8/17/93	Cut-to-length carbon steel plate/Belgium	701–TA–319	58 FR 43749
8/17/93	Cut-to-length carbon steel plate/Brazil	701–TA–320	58 FR 43751
8/17/93	Cut-to-length carbon steel plate/Mexico	701–TA–325	58 FR 43755
8/17/93	Cut-to-length carbon steel plate/Spain	701–TA–326	58 FR 43761
8/17/93	Cut-to-length carbon steel plate/Sweden	701–TA–327	58 FR 43758
8/17/93	Cut-to-length carbon steel plate/United Kingdom	701–TA–328	58 FR 43748
8/19/93	Cut-to-length carbon steel plate/Belgium	731–TA–573	58 FR 44164
8/19/93	Cut-to-length carbon steel plate/Brazil	731–TA–574	58 FR 44164
8/19/93	Cut-to-length carbon steel plate/Finland	731–TA–576	58 FR 44165
8/19/93	Cut-to-length carbon steel plate/Germany	731–TA–578	58 FR 44170
8/19/93	Cut-to-length carbon steel plate/Poland	731–TA–582	58 FR 44165
8/19/93	Cut-to-length carbon steel plate/Romania	731–TA–583	58 FR 44166
8/19/93	Cut-to-length carbon steel plate/Spain	731–TA–584	58 FR 44167
8/19/93	Cut-to-length carbon steel plate/Sweden	731–TA–585	58 FR 44167
8/19/93	Cut-to-length carbon steel plate/United Kingdom	731–TA–586	58 FR 44168
8/17/93	Corrosion-resistant carbon steel flat products/France	731–TA–587	58 FR 44168
8/17/93	Corrosion-resistant carbon steel flat products/Korea	701–TA–348	58 FR 43759
8/19/93	Corrosion-resistant carbon steel flat products/Australia	701–TA–350	58 FR 43752
8/19/93	Corrosion-resistant carbon steel flat products/Canada	731–TA–612	58 FR 44161
8/19/93	Corrosion-resistant carbon steel flat products/France	731–TA–614	58 FR 44162
8/19/93	Corrosion-resistant carbon steel flat products/Germany	731–TA–615	58 FR 44169
8/19/93	Corrosion-resistant carbon steel flat products/Japan	731–TA–616	58 FR 44170
8/19/93	Corrosion-resistant carbon steel flat products/Korea	731–TA–617	58 FR 44163
8/19/93	Corrosion-resistant carbon steel flat products/Korea	731–TA–618	58 FR 44159

Following five-year reviews by Commerce and the Commission, effective December 15, 2000, Commerce issued a continuation of the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom (65 FR 78469). The Commission is now conducting second reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It

will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

*Definitions.*—The following definitions apply to these reviews:

(1) Subject Merchandise is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The Subject Countries in these reviews are Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom.

(3) The Domestic Like Product is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original 1979 antidumping determination concerning carbon steel plate from Taiwan, the Commission found one Domestic Like Product consisting of carbon steel plate. Consistent with its

<sup>1</sup> No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 06–5–141,

expiration date June 30, 2008. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to

the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.



1993 determinations, the Commission found in its full five-year review determinations issued in 2000 a Domestic Like Product consisting of cut-to-length plate and another Domestic Like Product consisting of corrosion-resistant steel (excluding clad plate). Microalloy products were not included in either of these Domestic Like Products in the original and full five-year review determinations. For purposes of this notice, you should report information separately on the following two Domestic Like Products: (1) Cut-to-length plate and (2) corrosion-resistant steel (excluding clad plate).

(4) The Domestic Industry is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original 1979 antidumping determination concerning carbon steel plate from Taiwan, the Commission found one regional Domestic Industry, consisting of producers of carbon steel plate located in the west coast States of California, Washington, and Oregon. Certain Commissioners defined the Domestic Industry differently. In its full five-year review determinations, the Commission utilized a national industry analysis with respect to Taiwan, as with all the countries subject to the 1993 orders. The Commission did not address the issue of processors in the 1993 investigations concerning cut-to-length plate; however, in its full five-year review determinations concerning cut-to-length plate, the Commission found the Domestic Industry to consist of the domestic producers of the Domestic Like Product, including processors. The Commission defined the Domestic Industry with respect to corrosion-resistant steel as the domestic producers of the Domestic Like Product of all corrosion-resistant steel (excluding clad plate). For purposes of this notice, you should report information separately on the following two Domestic Industries: (1) All domestic producers of cut-to-length plate, including processors and (2) all domestic producers of corrosion-resistant steel (excluding clad plate).

(5) An Importer is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

**Participation in the reviews and public service list.**—Persons, including industrial users of the Subject Merchandise and, if the merchandise is sold at the retail level, representative

consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission is seeking guidance as to whether a second transition five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

**Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.**—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

**Certification.**—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the

Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

**Written submissions.**—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is December 21, 2005. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is January 17, 2006. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

**Inability to provide requested information.**—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

*Information to be Provided in Response to This Notice of Institution:*

Please provide the requested information separately for each Domestic Like Product, as defined by the Commission in its review determinations, and for each of the products identified by Commerce as Subject Merchandise. If you are a domestic producer, union/worker group, or trade/business association; import/export Subject Merchandise from more than one Subject Country; or produce Subject Merchandise in more than one Subject Country, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent Subject Country. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Products, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the countervailing and antidumping duty orders on the Domestic Industries in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industries.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Products. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in each Subject

Country that currently export or have exported Subject Merchandise to the United States or other countries after 1999.

(7) If you are a U.S. producer of the Domestic Like Products, provide the following information on your firm's operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of each Domestic Like Product accounted for by your firm's(s') production;

(b) the quantity and value of U.S. commercial shipments of each Domestic Like Product produced in your U.S. plant(s); and

(c) the quantity and value of U.S. internal consumption/company transfers of each Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Countries, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from each Subject Country accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of Subject Merchandise imported from each Subject Country; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of Subject Merchandise imported from each Subject Country.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Countries, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and

value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in each Subject Country accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from each Subject Country accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Countries after 1999, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Products produced in the United States, Subject Merchandise produced in the Subject Countries, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the Domestic Like Products and Domestic Industries; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: October 24, 2005.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 05-21589 Filed 10-28-05; 8:45 am]

**BILLING CODE 7020-02-P**

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**INTERNATIONAL TRADE  
COMMISSION**

[Investigation Nos. AA1921–197 (Second Review); 701–TA–319, 320, 325–328, 348, and 350 (Second Review); and 731–TA–573, 574, 576, 578, 582–587, 612, and 614–618 (Second Review)]

**Certain Carbon Steel Products From  
Australia, Belgium, Brazil, Canada,  
Finland, France, Germany, Japan,  
Korea, Mexico, Poland, Romania,  
Spain, Sweden, Taiwan, and The  
United Kingdom**

**AGENCY:** United States International Trade Commission.

**ACTION:** Notice of Commission determinations to conduct full five-year reviews concerning the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom.

**SUMMARY:** The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**DATES:** Effective February 6, 2006.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain

information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:** On February 6, 2006, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. With respect to corrosion-resistant carbon steel flat products, the Commission found that the domestic and respondent interested party group responses to its notice of institution (70 FR 62324, October 31, 2005) were adequate. With respect to cut-to-length carbon steel plate, the Commission found that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group responses with respect to Belgium, Brazil, Finland, Germany, Mexico, Poland, and the United Kingdom were adequate, but found that the respondent interested party group responses with respect to Romania, Spain, Sweden, and Taiwan were inadequate. However, the Commission determined to conduct full reviews concerning cut-to-length carbon steel plate from Romania, Spain, Sweden, and Taiwan to promote administrative efficiency in light of its decision to conduct full reviews with respect to cut-to-length carbon steel plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, and the United Kingdom. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: February 14, 2006.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E6–2359 Filed 2–17–06; 8:45 am]

**BILLING CODE 7020–02–P**

**DEPARTMENT OF COMMERCE****International Trade Administration**

[A-423-805, A-351-817, A-405-802, A-428-816, A-201-809, A-455-802, A-485-803, A-469-803, A-401-805, A-412-814, A-583-080]

**Cut-to-Length Carbon Steel Plate  
From Belgium, Brazil, Finland,  
Germany, Mexico, Poland, Romania,  
Spain, Sweden, and the United  
Kingdom and Carbon Steel Plate From  
Taiwan; Second Five-year (Sunset)  
Reviews of Antidumping Duty Orders  
and Antidumping Finding; Final  
Results**

**AGENCY:** Import Administration,  
International Trade Administration,  
Department of Commerce.

**SUMMARY:** On November 1, 2005, the Department of Commerce (the Department) initiated sunset reviews of the antidumping duty orders on cut-to-length carbon steel plate (CTL Plate) from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom and the antidumping finding on carbon steel plate from Taiwan, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). On the basis of the notices of intent to participate and adequate substantive responses filed on behalf of domestic interested parties and no response or inadequate responses from respondent interested parties, the Department conducted expedited sunset reviews of these antidumping duty orders and antidumping finding. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders on CTL Plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom and the antidumping finding on carbon steel plate from Taiwan would likely lead to continuation or recurrence of dumping at the levels listed below in the section entitled "Final Results of Sunset Reviews."

**EFFECTIVE DATE:** March 8, 2006.

**FOR FURTHER INFORMATION CONTACT:**  
Dana Mermelstein, Robert James, or  
Abdelali Elouaradia, AD/CVD  
Operations, Office 7, Import  
Administration, International Trade  
Administration, U.S. Department of  
Commerce, 14th Street and Constitution  
Avenue, NW., Washington, DC, 20230;  
telephone: (202) 482-1391, (202) 482-  
0649, or (202) 482-1374, respectively.

**SUPPLEMENTARY INFORMATION:**

## Background

On November 1, 2005, the Department initiated sunset reviews of the antidumping duty orders on CTL Plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom and the antidumping finding on carbon steel plate from Taiwan pursuant to section 751(c) of the Act. *See Initiation of Five-year ("Sunset") Reviews*, 70 FR 65844 (November 1, 2005). For each of these orders, the Department received a notice of intent to participate from Nucor Corporation (Nucor), Mittal Steel USA ISG Inc. (Mittal), IPSCO, Inc. (IPSCO), Oregon Steel Mills, Inc. (Oregon Steel), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers Union, AFL-CIO-CLC (USW) (collectively, domestic interested parties) within the deadline specified in 19 CFR 351.218(d)(1)(i). Domestic interested parties claimed interested party status under sections 771(9)(C) or (D) of the Act either as a U.S. producer of a domestic like product or as a certified union engaged in the manufacture of a domestic like product. With respect to the antidumping duty orders on CTL Plate from Brazil, Finland, Germany, Mexico, Romania, Spain, and Sweden and the antidumping finding on carbon steel plate from Taiwan, we did not receive any responses from respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted expedited sunset reviews of these antidumping duty orders and the antidumping finding. With respect to the antidumping duty orders on CTL Plate from Belgium, Poland, and the United Kingdom, the Department received substantive responses from respondent interested parties within the deadline specified in 19 CFR 351.218(d)(3)(i).<sup>1</sup> However, on December 21, 2005, the Department determined that the substantive responses filed by respondent interested parties were inadequate. Specifically, for the Belgian, Polish, and British orders, the Department found that total exports of the subject merchandise to the United States by participating respondent interested parties were below the 50 percent threshold (by volume) that the Department normally will consider to be an adequate foreign response as provided for in 19 CFR 351.218(e)(1)(ii)(A). Therefore, pursuant to section 751(c)(3)(B) of the Act and 19

CFR 351.218(e)(1)(ii)(C)(2), the Department also conducted expedited sunset reviews of the antidumping duty orders on CTL Plate from Belgium, Poland, and the United Kingdom.

### Scope of the Antidumping Duty Orders (CTL Plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom)

The products covered by these antidumping duty orders include hot-rolled carbon steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the United States Harmonized Tariff Schedule (HTSUS) under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Included are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling") -- for example, products which have been beveled or rounded at the edges. Excluded is grade X-70 plate. These HTSUS item numbers are provided for convenience and customs purposes. The written description remains dispositive.

As a result of a changed circumstances review with respect to Finland, Germany, and the United Kingdom,<sup>2</sup> the order was partially revoked with respect to certain cut-to-

length carbon steel plate with a maximum thickness of 80 mm in steel grades BS 7191, 355 EM and 355 EMZ, as amended by Sable Offshore Energy Project specification XB MOO Y 15 0001, types 1 and 2.

As a result of a decision by the Court of International Trade,<sup>3</sup> excluded from the scope of the antidumping duty order on CTL Plate from Belgium is cut-to-length floor plate imported by Duferco Steel, Inc. "with patterns in relief derived directly from the rolling process."

### Scope of the Antidumping Finding (Carbon Steel Plate from Taiwan)

The merchandise covered by this antidumping finding is hot-rolled carbon steel plate, 0.1875 inch or more in thickness, over 8 inches in width, not in coils, not pickled, not coated or plated with metal, not clad, other than black plate, and not pressed or stamped to nonrectangular shape. The merchandise under review is currently classifiable under items 7208.40.30.30, 7208.40.30.60, 7208.51.00.30, 7208.51.00.45, 7208.51.00.60, 7208.52.00.00, 7208.90.00.00, 7210.70.30.00, 7210.90.90.00, 7211.13.00.00, 7211.14.00.30, 7211.14.00.45, 7211.90.00.00, 7212.40.10.00, 7212.40.50.00, and 7212.50.00.00 of the HTSUS. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

All issues raised in these sunset reviews are addressed in the "Issues and Decision Memorandum" from Stephen J. Claeys, Deputy Assistant Secretary for Operations, Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated March 1, 2006 (Decision Memorandum), which is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the orders and finding were revoked. Parties can find a complete discussion of all issues raised in these sunset reviews and the corresponding recommendation in this public memorandum, which is on file in room B-099 of the main Department building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at <http://ia.ita.doc.gov/frn/index.html>. The paper copy and electronic version of the Decision Memorandum are identical in content.

<sup>1</sup> In the case of the Belgian order, one respondent interested party also filed a waiver of participation.

<sup>2</sup> See *Certain Cut-to-Length Carbon Steel Plate from Finland, Germany and the United Kingdom: Final Results of Changed Circumstances Antidumping Duty and Countervailing Duty Reviews, and Revocation of Orders in Part*, 64 FR 46343 (August 25, 1999).

<sup>3</sup> See *Duferco Steel, Inc. v. United States*, 26 CIT 1241 (October 17, 2002).

**Final Results of Sunset Reviews**

We determine that revocation of the antidumping duty orders on CTL Plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom and the antidumping finding on carbon steel plate from Taiwan would likely lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

**BELGIUM**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
Forges de Clabecq, S.A. <sup>4</sup> .....	6.78
Fabrique de Fer Chaleroi, S.A. (FFC) .....	13.31 <sup>5</sup>
All Other Belgian Manufacturers and Exporters .....	6.84

<sup>4</sup>The Department has never conducted a changed circumstance review finding that Duferco Clabecq S.A. (Duferco) is the successor-in-interest to Forges de Clabecq, S.A. As a result, Duferco is subject to the all others rate.

<sup>5</sup>For this sunset review, we have reported the rate calculated from the original investigation for FFC. The Department notes that in the first sunset review it reported to the International Trade Commission (ITC) a margin of 27.5 percent for FFC. See *Cut-to-Length Carbon Steel Plate From Belgium; Final Results of Expedited Sunset Review of Antidumping Duty Order*, 65 FR 18292 (April 7, 2000) and the accompanying Issues and Decision Memorandum at Comment 2. This rate was based on the 13.75 percent margin found in the 1995-1996 administrative review, doubled to account for a 100 percent finding of duty absorption. As stated in the final results of the first sunset review, the Department reported the 27.5 percent margin "[c]onsistent with our stated policy of providing the Commission the higher of the margin the Department otherwise would have reported to the Commission or the most recent margin for that company adjusted to account for the Department's findings on duty absorption." See *id.* However, on March 22, 2000, the CIT found that the Department lacked authority to conduct a duty absorption inquiry for an antidumping order issued prior to January 1, 1995. See *SKF USA Inc. v. United States*, 24 CIT 174 (CIT 2000). Therefore, we are reporting to the ITC the higher calculated rate from the original investigation and we find that there is no basis to provide to the ITC a more recently calculated margin. See Decision Memorandum at 25-26.

**BRAZIL**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
Usinas Siderurgicas de Minas Gerais S.A. (USIMINAS)/ Companhia Siderurgica Paulista (COSIPA) .....	42.68 <sup>6</sup>

**BRAZIL—Continued**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
All Other Brazilian Manufacturers and Exporters .....	75.54

<sup>6</sup>In the first sunset review of CTL Plate from Brazil, the Department reported one margin for USIMINAS and COSIPA because the Department had collapsed these companies and treated them as a single entity in the most recently completed administrative review. See *Certain Cut-to-Length Carbon Steel Plate from Brazil: Amendment of Final Results of Antidumping Duty Administrative Review*, 63 FR 20570 (April 27, 1998). Thus, we are reporting a single margin to the ITC for the two entities as we did in the first sunset review. See Decision Memorandum at 26.

**FINLAND**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
Rautaruukki Oy .....	40.36
All Other Finnish Manufacturers and Exporters .....	40.36

**GERMANY**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
Dillenger Huttenwerke .....	36.00
All Other German Manufacturers and Exporters .....	36.00

**MEXICO**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
Altos Hornos de Mexico, S.A. de C.V. ....	49.25
All Other Mexican Manufacturers and Exporters .....	49.25

**POLAND**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
All Polish Manufacturers and Exporters .....	61.98

**ROMANIA**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
Metalexportimport SA .....	75.04
All Other Romanian Manufacturers and Exporters .....	75.04

**SPAIN**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
Ensidesa .....	105.61
All Other Spanish Manufacturers and Exporters .....	105.61

**SWEDEN**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
Svenskt Staal ABC .....	24.23
All Other Swedish Manufacturers and Exporters .....	24.23

**TAIWAN**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
China Steel Corporation .....	34.00
All Other Taiwanese Manufacturers and Exporters .....	34.00

**UNITED KINGDOM**

Manufacturers/Exporters	Weighted-Average Margin (Percent)
British Steel plc <sup>7</sup> .....	109.22
All Other British Manufacturers and Exporters .....	109.22

<sup>7</sup>The Department has never conducted a changed circumstance review finding that Corus Group plc (Corus) is the successor-in-interest to British Steel plc. Therefore, Corus is subject to the "all others" rate.

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the

regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing these results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: March 1, 2006.

**David M. Spooner,**

*Assistant Secretary for Import  
Administration.*

[FR Doc. E6-3297 Filed 3-7-06; 8:45 am]

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## INTERNATIONAL TRADE COMMISSION

[Investigation Nos. AA1921–197 (Second Review); 701–TA–319, 320, 325–328, 348, and 350 (Second Review); and 731–TA–573, 574, 576, 578, 582–587, 612, and 614–618 (Second Review)]

### Certain Carbon Steel Products From Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom

**AGENCY:** United States International Trade Commission.

**ACTION:** Scheduling of full five-year reviews concerning the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom.

**SUMMARY:** The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B). For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**DATES:** *Effective Date:* March 22, 2006.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Haines (202–205–3200), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain

information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

#### SUPPLEMENTARY INFORMATION:

**Background.** On February 6, 2006, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (71 FR 8874, February 21, 2006). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

**Participation in the reviews and public service list.** Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

**Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.** Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those

parties authorized to receive BPI under the APO.

**Staff report.** The prehearing staff report in the reviews will be placed in the nonpublic record on September 25, 2006, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

**Hearing.** The Commission will hold hearings in connection with the reviews beginning at 9:30 a.m. on October 17 (corrosion-resistant steel) and October 19, 2006 (cut-to-length plate), at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before October 10, 2006. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on October 13, 2006, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

**Written submissions.** Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is October 5, 2006. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is October 30, 2006; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before October 30, 2006. On December 5, 2006, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before December 8, 2006, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's



rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: March 24, 2006.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E6-4642 Filed 3-29-06; 8:45 am]

**BILLING CODE 7020-02-P**

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the basis of a notice of intent to participate, an adequate substantive response filed on behalf of the domestic interested parties, an inadequate response from Canadian and French interested parties, and no response from other respondent interested parties, the Department determined to conduct expedited sunset reviews of these orders pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2). As a result of these sunset reviews, the Department finds that revocation of these AD orders would be likely to lead to continuation or recurrence of dumping at the margins indicated in the "Final Results of Review" section of this notice.

**EFFECTIVE DATE:** June 6, 2006.

**FOR FURTHER INFORMATION CONTACT:** John Conniff, Darla Brown or Brandon Farlander, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-1009, (202) 482-2849 or (202) 482-0182, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On November 1, 2005, the Department initiated sunset reviews of the AD orders on CORE from Australia, Canada, France, Germany, Japan, and South Korea pursuant to section 751(c) of the Act. *See Initiation of Five-year ("Sunset") Reviews*, 70 FR 65884 (November 1, 2005). The Department received notices of intent to participate from the following domestic interested parties: United States Steel Corporation ("U.S. Steel"); Mittal Steel USA ISG Inc. ("Mittal Steel"); Nucor Corporation ("Nucor"); Ispat-Inland ("Ispat"); Oregon Steel Mills, Inc. ("Oregon Steel") (hereinafter, collectively "domestic interested parties"); and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC ("USW"), within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of the domestic like product. USW claimed interested party status under section 771(9)(D) of the Act as a union representing the domestic CORE industry. We received complete substantive responses from the domestic interested parties<sup>1</sup> within the 30-day

deadline specified in 19 CFR 351.218(d)(3)(i).

The Department did not receive a substantive response from any respondent in any of the sunset reviews of the AD orders on CORE from Australia, Germany, Japan, and South Korea. The Department received a substantive response from Stelco Inc. ("Stelco"), a producer and exporter of CORE from Canada, in the sunset review of the AD order on CORE from Canada. With respect to the sunset review of the AD order on CORE from France, the Department received a substantive response from Duferco Coating SA and Sorral SA (collectively, "Duferco Sorral") and a waiver of participation from Arcelor. The Department determined that it had received inadequate respondent participation in each of these sunset reviews. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted expedited reviews of these orders.

On February 28, 2006, the Department extended the deadline for the final results of these reviews for 90 days, until May 30, 2006. *See Certain Corrosion-Resistant Carbon Steel Flat Products from Australia, Canada, France, Germany, Japan, and South Korea: Extension of Time Limits for Final Results of Expedited Reviews*, 71 FR 10006 (February 28, 2006).

**Scope of the Orders**

The products subject to these orders include flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 mm, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness, or if of a thickness of 4.75 mm or more, are of a width which exceeds 150 mm and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule of the United States ("HTSUS") under item numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090,

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

(A-602-803, A-122-822, A-427-808, A-428-816, A-588-824, A-580-816)

**Final Results of Expedited Sunset Reviews: Corrosion-Resistant Carbon Steel Flat Products from Australia, Canada, France, Germany, Japan, and South Korea**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On November 1, 2005, the Department ("the Department") initiated the sunset reviews of the antidumping duty ("AD") orders on certain corrosion-resistant carbon steel flat products ("CORE") from Australia, Canada, France, Germany, Japan, and South Korea pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On

<sup>1</sup> Despite filing a notice of intent to participate, the USW neither filed its own nor joined the domestic interested parties in the substantive responses filed.

7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, and 7217.90.5090.

Included in these orders are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling") -- for example, products which have been beveled or rounded at the edges.

Excluded from the scope of these orders are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel"), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating. Also excluded from the scope of these orders are clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Also excluded from the scope of the orders are certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 mm in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio.

## Japan

In addition to the above, the Department has issued the following rulings regarding the scope of the order on Japan:

Excluded from the scope of this order are imports of certain corrosion-resistant carbon steel flat products meeting the following specifications: widths ranging from 10 mm (0.394 inches) through 100 mm (3.94 inches); thicknesses, including coatings, ranging from 0.11 mm (0.004 inches) through 0.60 mm (0.024 inches); and a coating that is from 0.003 mm (0.00012 inches) through 0.005 mm (0.000196 inches) in thickness and that is comprised of three evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum, followed by a layer consisting of chromate, and finally a layer consisting of silicate. *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Revocation in Part of Antidumping Duty Order*, 62 FR 66848 (Dec. 22, 1997).

Also excluded from the scope of this order are imports of subject merchandise meeting all of the following criteria: (1) Widths ranging from 10 mm (0.394 inches) through 100 mm (3.94 inches); (2) thicknesses, including coatings, ranging from 0.11 mm (0.004 inches) through 0.60 mm (0.024 inches); and (3) a coating that is from 0.003 mm (0.00012 inches) through 0.005 mm (0.000196 inches) in thickness and that is comprised of either two evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum, followed by a layer consisting of chromate, or three evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum followed by a layer consisting of chromate, and finally a layer consisting of silicate. *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Revocation in Part of Antidumping Duty Order*, 64 FR 14862 (Mar. 29, 1999).

Also excluded from the scope of this order are: (1) Carbon steel flat products measuring 1.84 mm in thickness and 43.6 mm or 16.1 mm in width consisting of carbon steel coil (SAE 1008) clad with an aluminum alloy that is balance aluminum, 20% tin, 1% copper, 0.3% silicon, 0.15% nickel, less than 1% other materials and meeting the requirements of SAE standard 783 for Bearing and Bushing Alloys; and (2) carbon steel flat products measuring 0.97 mm in thickness and 20 mm in width consisting of carbon steel coil (SAE 1008) with a two-layer lining, the first layer consisting of a copper-lead alloy powder that is balance copper, 9% to 11% tin, 9% to 11% lead, less than 1% zinc, less than 1% other materials and meeting the requirements of SAE standard 792 for Bearing and Bushing Alloys, the second layer consisting of 45% to 55% lead, 38% to 50% polytetrafluorethylene ("PTFE"), 3% to 5% molybdenum disulfide and less than 2% other materials. *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Final Results of Changed Circumstances Antidumping Duty Review, and Revocation in Part of Antidumping Duty Order*, 64 FR 57032 (Oct. 22, 1999).

Also excluded from the scope of the order are imports of doctor blades meeting the following specifications: carbon steel coil or strip, plated with nickel phosphorous, having a thickness of 0.1524 mm (0.006 inches), a width between 31.75 mm (1.25 inches) and 50.80 mm (2.00 inches), a core hardness between 580 to 630 HV, a surface hardness between 900-990 HV; the

carbon steel coil or strip consists of the following elements identified in percentage by weight: 0.90% to 1.05% carbon; 0.15% to 0.35% silicon; 0.30% to 0.50% manganese; less than or equal to 0.03% of phosphorous; less than or equal to 0.006% of sulfur; other elements representing 0.24%; and the remainder of iron. *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 65 FR 53983 (Sept. 6, 2000).

Also excluded from the scope of the order are imports of carbon steel flat products meeting the following specifications: carbon steel flat products measuring 1.64 mm in thickness and 19.5 mm in width consisting of carbon steel coil (SAE 1008) with a lining clad with an aluminum alloy that is balance aluminum; 10 to 15% tin; 1 to 3% lead; 0.7 to 1.3% copper; 1.8 to 3.5% silicon; 0.1 to 0.7% chromium; less than 1% other materials and meeting the requirements of SAE standard 783 for Bearing and Bushing Alloys. *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 66 FR 8778 (Feb. 2, 2001).

Also excluded from the scope of the order are carbon steel flat products meeting the following specifications: (1) Carbon steel flat products measuring 0.975 mm in thickness and 8.8 mm in width consisting of carbon steel coil (SAE 1012) clad with a two-layer lining, the first layer consisting of a copper-lead alloy powder that is balance copper, 9%-11% tin, 9%-11% lead, maximum 1% other materials and meeting the requirements of SAE standard 792 for Bearing and Bushing Alloys, the second layer consisting of 13%-17% carbon, 13%-17% aromatic polyester, with a balance (approx. 66%-74%) of PTFE; and (2) carbon steel flat products measuring 1.02 mm in thickness and 10.7 mm in width consisting of carbon steel coil (SAE 1008) with a two-layer lining, the first layer consisting of a copper-lead alloy powder that is balance copper, 9%-11% tin, 9%-11% lead, less than 0.35% iron, and meeting the requirements of SAE standard 792 for Bearing and Bushing Alloys, the second layer consisting of 45%-55% lead, 3%-5% molybdenum disulfide, with a balance (approx. 40%-52%) of PTFE. *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 66 FR 15075 (Mar. 15, 2001).

Also excluded from this order are carbon steel flat products meeting the following specifications: (1) carbon steel coil or strip, measuring 1.93 mm or 2.75 mm (0.076 inches or 0.108 inches) in thickness, 87.3 mm or 99 mm (3.437 inches or 3.900 inches) in width, with a low carbon steel back comprised of: carbon under 8%, manganese under 0.4%, phosphorous under 0.04%, and sulfur under 0.05%; clad with aluminum alloy comprised of: 0.7% copper, 12% tin, 1.7% lead, 0.3% antimony, 2.5% silicon, 1% maximum total other (including iron), and remainder aluminum; and (2) carbon steel coil or strip, clad with aluminum, measuring 1.75 mm (0.069 inches) in thickness, 89 mm or 94 mm (3.500 inches or 3.700 inches) in width, with a low carbon steel back comprised of: carbon under 8%, manganese under 0.4%, phosphorous under 0.04%, and sulfur under 0.05%; clad with aluminum alloy comprised of: 0.7% copper, 12% tin, 1.7% lead, 2.5% silicon, 0.3% antimony, 1% maximum total other (including iron), and remainder aluminum. *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 66 FR 20967 (Apr. 26, 2001).

Also excluded from this order are carbon steel flat products meeting the following specifications: carbon steel coil or strip, measuring a minimum of and including 1.10 mm to a maximum of and including 4.90 mm in overall thickness, a minimum of and including 76.00 mm to a maximum of and including 250.00 mm in overall width, with a low carbon steel back comprised of: carbon under 0.10%, manganese under 0.40%, phosphorous under 0.04%, sulfur under 0.05%, and silicon under 0.05%; clad with aluminum alloy comprised of: under 2.51% copper, under 15.10% tin, and remainder aluminum as listed on the mill specification sheet. *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 67 FR 7356 (Feb. 19, 2002).

Also excluded from this order are products meeting the following specifications: (1) Diffusion-annealed, non-alloy nickel-plated carbon products, with a substrate of cold-rolled battery grade sheet ("CRBG") with both sides of the CRBG initially electrolytically plated with pure, unalloyed nickel and subsequently annealed to create a diffusion between

the nickel and iron substrate, with the nickel plated coating having a thickness of 0–5 microns per side with one side equaling at least 2 microns; and with the nickel carbon sheet having a thickness of from 0.004" (0.10 mm) to 0.030" (0.762 mm) and conforming to the following chemical specifications (%): C  $\leq$  0.08; Mn  $\leq$  0.45; P  $\leq$  0.02; S  $\leq$  0.02; Al  $\leq$  0.15; and Si  $\leq$  0.10; and the following physical specifications: Tensile = 65 KSI maximum; Yield = 32 - 55 KSI; Elongation = 18% minimum (aim 34%); Hardness = 85 - 150 Vickers; Grain Type = Equiaxed or Pancake; Grain Size (ASTM) = 7–12; Delta r value = aim less than 0.2; Lankford value  $\geq$  1.2.; and (2) next generation diffusion-annealed nickel plate meeting the following specifications: (a) Nickel-graphite plated, diffusion-annealed, tin-nickel plated carbon products, with a natural composition mixture of nickel and graphite electrolytically plated to the top side of diffusion-annealed tin-nickel plated carbon steel strip with a cold rolled or tin mill black plate base metal conforming to chemical requirements based on AISI 1006; having both sides of the cold rolled substrate electrolytically plated with natural nickel, with the top side of the nickel plated strip electrolytically plated with tin and then annealed to create a diffusion between the nickel and tin layers in which a nickel-tin alloy is created, and an additional layer of mixture of natural nickel and graphite then electrolytically plated on the top side of the strip of the nickel-tin alloy; having a coating thickness: top side: nickel-graphite, tin-nickel layer  $\geq$  1.0 micrometers; tin layer only  $\geq$  0.05 micrometers, nickel-graphite layer only  $>$  0.2 micrometers, and bottom side: nickel layer  $\geq$  1.0 micrometers; (b) nickel-graphite, diffusion-annealed, nickel plated carbon products, having a natural composition mixture of nickel and graphite electrolytically plated to the top side of diffusion-annealed nickel plated steel strip with a cold rolled or tin mill black plate base metal conforming to chemical requirements based on AISI 1006; with both sides of the cold rolled base metal initially electrolytically plated with natural nickel, and the material then annealed to create a diffusion between the nickel and the iron substrate; with an additional layer of natural nickel-graphite then electrolytically plated on the top side of the strip of the nickel plated steel strip; with the nickel-graphite, nickel plated material sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling, or any other

evidence of separation; having a coating thickness: top side: nickel-graphite, tin-nickel layer  $\geq$  1.0 micrometers; nickel-graphite layer  $\geq$  0.5 micrometers; bottom side: nickel layer  $\geq$  1.0 micrometers; (c) diffusion-annealed nickel-graphite plated products, which are cold-rolled or tin mill black plate base metal conforming to the chemical requirements based on AISI 1006; having the bottom side of the base metal first electrolytically plated with natural nickel, and the top side of the strip then plated with a nickel-graphite composition; with the strip then annealed to create a diffusion of the nickel-graphite and the iron substrate on the bottom side; with the nickel-graphite and nickel plated material sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling, or any other evidence of separation; having coating thickness: top side: nickel-graphite layer  $\geq$  1.0 micrometers; bottom side: nickel layer  $\geq$  1.0 micrometers; (d) nickel-phosphorous plated diffusion-annealed nickel plated carbon product, having a natural composition mixture of nickel and phosphorus electrolytically plated to the top side of a diffusion-annealed nickel plated steel strip with a cold rolled or tin mill black plate base metal conforming to the chemical requirements based on AISI 1006; with both sides of the base metal initially electrolytically plated with natural nickel, and the material then annealed to create a diffusion of the nickel and iron substrate; another layer of the natural nickel-phosphorous then electrolytically plated on the top side of the nickel plated steel strip; with the nickel-phosphorous, nickel plated material sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling or any other evidence of separation; having a coating thickness: top side: nickel-phosphorous, nickel layer  $\geq$  1.0 micrometers; nickel-phosphorous layer  $\geq$  0.1 micrometers; bottom side: nickel layer  $\geq$  1.0 micrometers; (e) diffusion-annealed, tin-nickel plated products, electrolytically plated with natural nickel to the top side of a diffusion-annealed tin-nickel plated cold rolled or tin mill black plate base metal conforming to the chemical requirements based on AISI 1006; with both sides of the cold rolled strip initially electrolytically plated with natural nickel, with the top side of the nickel plated strip electrolytically plated with tin and then annealed to create a diffusion between the nickel and tin layers in which a nickel-tin

alloy is created, and an additional layer of natural nickel then electrolytically plated on the top side of the strip of the nickel-tin alloy; sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling or any other evidence of separation; having coating thickness: top side: nickel-tin-nickel combination layer  $\geq 1.0$  micrometers; tin layer only  $\geq 0.05$  micrometers; bottom side: nickel layer  $\geq 1.0$  micrometers; and (f) tin mill products for battery containers, tin and nickel plated on a cold rolled or tin mill black plate base metal conforming to chemical requirements based on AISI 1006; having both sides of the cold rolled substrate electrolytically plated with natural nickel; then annealed to create a diffusion of the nickel and iron substrate; then an additional layer of natural tin electrolytically plated on the top side; and again annealed to create a diffusion of the tin and nickel alloys; with the tin-nickel, nickel plated material sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling or any other evidence of separation; having a coating thickness: top side: nickel-tin layer  $\geq 1$  micrometer; tin layer alone  $\geq 0.05$  micrometers; bottom side: nickel layer  $\geq 1.0$  micrometer. *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 67 FR 47768 (Jul. 22, 2002).

Also excluded from this order are products meeting the following specifications: (1) Widths ranging from 10 mm (0.394 inches) through 100 mm (3.94 inches); (2) thicknesses, including coatings, ranging from 0.11 mm (0.004 inches) through 0.60 mm (0.024 inches); and (3) a coating that is from 0.003 mm (0.00012 inches) through 0.005 mm (0.000196 inches) in thickness and that is comprised of either two evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum, followed by a layer consisting of phosphate, or three evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum followed by a layer consisting of phosphate, and finally a layer consisting of silicate. *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 67 FR 57208 (Sept. 9, 2002).

Also excluded from this order are products meeting the following specifications: (1) Flat-rolled products (provided for in HTSUS subheading

7210.49.00), other than of high-strength steel, known as "ASE Iron Flash" and either: (A) having a base layer of zinc-based zinc-iron alloy applied by hot-dipping and a surface layer of iron-zinc alloy applied by electrolytic process, the weight of the coating and plating not over 40% by weight of zinc; or (B) two-layer-coated corrosion-resistant steel with a coating composed of (a) a base coating layer of zinc-based zinc-iron alloy by hot-dip galvanizing process, and (b) a surface coating layer of iron-zinc alloy by electro-galvanizing process, having an effective amount of zinc up to 40% by weight, and (2) corrosion resistant continuously annealed flat-rolled products, continuous cast, the foregoing with chemical composition (percent by weight): carbon not over 0.06% by weight, manganese 0.20 or more but not over 0.40, phosphorus not over 0.02, sulfur not over 0.023, silicon not over 0.03, aluminum 0.03 or more but not over 0.08, arsenic not over 0.02, copper not over 0.08 and nitrogen 0.003 or more but not over 0.008; and meeting the characteristics described below: (A) Products with one side coated with a nickel-iron-diffused layer which is less than 1 micrometer in thickness and the other side coated with a two-layer coating composed of a base nickel-iron-diffused coating layer and a surface coating layer of annealed and softened pure nickel, with total coating thickness for both layers of more than 2 micrometers; surface roughness (RA-microns) 0.18 or less; with scanning electron microscope (SEM) not revealing oxides greater than 1 micron; and inclusion groups or clusters shall not exceed 5 microns in length; (B) products having one side coated with a nickel-iron-diffused layer which is less than 1 micrometer in thickness and the other side coated with a four-layer coating composed of a base nickel-iron-diffused coating layer; with an inner middle coating layer of annealed and softened pure nickel, an outer middle surface coating layer of hard nickel and a topmost nickel-phosphorus-plated layer; with combined coating thickness for the four layers of more than 2 micrometers; surface roughness (RA-microns) 0.18 or less; with SEM not revealing oxides greater than 1 micron; and inclusion groups or clusters shall not exceed 5 microns in length; (C) products having one side coated with a nickel-iron-diffused layer which is less than 1 micrometer in thickness and the other side coated with a three-layer coating composed of a base nickel-iron-diffused coating layer, with a middle coating layer of annealed and softened

pure nickel and a surface coating layer of hard, luster-agent-added nickel which is not heat-treated; with combined coating thickness for all three layers of more than 2 micrometers; surface roughness (RA-microns) 0.18 or less; with SEM not revealing oxides greater than 1 micron; and inclusion groups or clusters shall not exceed 5 microns in length; or (D) products having one side coated with a nickel-iron-diffused layer which is less than 1 micrometer in thickness and the other side coated with a three-layer coating composed of a base nickel-iron-diffused coating layer, with a middle coating layer of annealed and softened pure nickel and a surface coating layer of hard, pure nickel which is not heat-treated; with combined coating thickness for all three layers of more than 2 micrometers; surface roughness (RA-microns) 0.18 or less; SEM not revealing oxides greater than 1 micron; and inclusion groups or clusters shall not exceed 5 microns in length. *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 68 FR 19970 (Apr. 23, 2003).

Also excluded from the scope of this order is merchandise meeting the following specifications: (1) Base metal: Aluminum Killed, Continuous Cast, Carbon Steel SAE 1008, (2) Chemical Composition: Carbon 0.08% max., Silicon, 0.03% max., Manganese 0.40% max., Phosphorus, 0.020% max., Sulfur 0.020% max., (3) Nominal thickness of 0.054 mm, (4) Thickness tolerance minimum 0.0513 mm, maximum 0.0567 mm, (5) Width of 600 mm or greater, and (7) Nickel plate min. 2.45 microns per side. *See Notice of Final Results of Antidumping Duty Changed Circumstances Review and Revocation, In Part: Certain Corrosion-Resistant Carbon Steel Flat Products From Japan*, 70 FR 2608 (Jan. 14, 2005).

Also excluded from the scope of this order are the following 24 separate corrosion-resistant carbon steel coil products meeting the following specifications:

**Product 1** Products described in industry usage as of carbon steel, measuring 1.625 mm to 1.655 mm in thickness and 19.3 mm to 19.7 mm in width, consisting of carbon steel coil (SAE 1010) with a lining clad with an aluminum alloy containing by weight 10% or more but not more than 15% of tin, 1% or more but not more than 3% of lead, 0.7% or more but not more than 1.3% of copper, 1.8% or more but not more than 3.5% of silicon, 0.1% or more but not more than 0.7% of chromium

and less than or equal to 1% of other materials, and meeting the requirements of SAE standard 788 for Bearing and Bushing Alloys.

**Product 2** Products described in industry usage as of carbon steel, measuring 0.955 mm to 0.985 mm in thickness and 8.6 mm to 9.0 mm in width, consisting of carbon steel coil (SAE 1012) clad with a two-layer lining, the first layer consisting of a copper-lead alloy powder that contains by weight 9% or more but not more than 11% of tin, 9% or more but not more than 11% of lead, less than 0.05% phosphorus, less than 0.35% iron and less than or equal to 1% other materials, and meeting the requirements of SAE standard 797 for Bearing and Bushing Alloys, with the second layer containing by weight 13% or more but not more than 17% of carbon, 13% or more but not more than 17% of aromatic polyester, and the remainder (approx. 66–74%) of PTFE.

**Product 3** Products described in industry usage as of carbon steel, measuring 1.01 mm to 1.03 mm in thickness and 10.5 mm to 10.9 mm in width, consisting of carbon steel coil (SAE 1010) with a two-layer lining, the first layer consisting of a copper-lead alloy powder that contains by weight 9% or more but not more than 11% of tin, 9% or more but not more than 11% of lead, less than 1% zinc and less than or equal to 1% other materials, and meeting the requirements of SAE standard 797 for Bearing and Bushing Alloys, with the second layer containing by weight 45% or more but not more than 55% of lead, 3% or more but not more than 5% of molybdenum disulfide, and the remainder made up of PTFE (approximately 38% to 52%) and less than 2% in the aggregate of other materials.

**Product 4** Products described in industry usage as of carbon steel, measuring 1.8 mm to 1.88 mm in thickness and 43.4 mm to 43.8 mm or 16.1 mm to 1.65 mm in width, consisting of carbon steel coil (SAE 1010) clad with an aluminum alloy that contains by weight 19% to 20% tin, 1% to 1.2% copper, less than 0.3% silicon, 0.15% nickel and less than 1% in the aggregate other materials and meeting the requirements of SAE standard 783 for Bearing and Bushing Alloys.

**Product 5** Products described in industry usage as of carbon steel, measuring 0.95 mm to 0.98 mm in thickness and 19.95 mm to 20 mm in width, consisting of carbon steel coil (SAE 1010) with a two-layer lining, the first layer consisting of a copper-lead alloy powder that contains by weight 9% or more but not more than 11% of

tin, 9% or more but not more than 11% of lead, less than 1% of zinc and less than or equal to 1% in the aggregate of other materials and meeting the requirements of SAE standard 797 for Bearing and Bushing Alloys, with the second layer consisting by weight of 45% or more but not more than 55% of lead, 3% or more but not more than 5% of molybdenum disulfide and with the remainder made up of PTFE (approximately 38% to 52%) and up to 2% in the aggregate of other materials.

**Product 6** Products described in industry usage as of carbon steel, measuring 0.96 mm to 0.98 mm in thickness and 18.75 mm to 18.95 mm in width; base of SAE 1010 steel with a two-layer lining, the first layer consisting of copper-base alloy powder with chemical composition (percent by weight): tin 9 to 11, lead 9 to 11, phosphorus less than 0.05, ferrous group less than 0.35, and other materials less than 1%; meeting the requirements of SAE standard 797 for bearing and bushing alloys; the second layer consisting of lead 33 to 37%, aromatic polyester 28 to 32%, and other materials less than 2% with a balance of PTFE.

**Product 7** Products described in industry usage as of carbon steel, measuring 1.21 mm to 1.25 mm in thickness and 19.4 mm to 19.6 mm in width; base of SAE 1012 steel with lining of copper base alloy with chemical composition (percent by weight): tin 9 to 11, lead 9 to 11, phosphorus less than 0.05, ferrous group less than 0.35 and other materials less than 1%; meeting the requirements of SAE standard 797 for bearing and bushing alloys.

**Product 8** Products described in industry usage as of carbon steel, measuring 0.96 mm to 0.98 mm in thickness and 21.5 mm to 21.7 mm in width; base of SAE 1010 steel with a two-layer lining, the first layer consisting of copper-base alloy powder with chemical composition (percent by weight): tin 9 to 11, lead 9 to 11, phosphorus less than 0.05%, ferrous group less than 0.35 and other materials less than 1; meeting the requirements of SAE standard 797 for bearing and bushing alloys; the second layer consisting of (percent by weight) lead 33 to 37, aromatic polyester 28 to 32 and other materials less than 2 with a balance of PTFE.

**Product 9** Products described in industry usage as of carbon steel, measuring 0.96 mm to 0.99 mm in thickness and 7.65 mm to 7.85 mm in width; base of SAE 1012 steel with a two-layer lining, the first layer consisting of copper-based alloy powder with chemical composition

(percent by weight): tin 9 to 11, lead 9 to 11, phosphorus less than 0.05, ferrous group less than 0.35 and other materials less than 1; meeting the requirements of SAE standard 797 for bearing and bushing alloys; the second layer consisting of (percent by weight) carbon 13 to 17 and aromatic polyester 13 to 17, with a balance of PTFE.

**Product 10** Products described in industry usage as of carbon steel, measuring 0.955 mm to 0.985 mm in thickness and 13.6 mm to 14 mm in width; base of SAE 1012 steel with a two-layer lining, the first layer consisting of copper-based alloy powder with chemical composition (percent by weight): tin 9 to 11, lead 9 to 11, phosphorus less than 0.05, ferrous group less than 0.35 and other materials less than 1; meeting the requirements of SAE standard 797 for bearing and bushing alloys; the second layer consisting of (percent by weight) carbon 13 to 17, aromatic polyester 13 to 17, with a balance (approximately 66 to 74) of PTFE.

**Product 11** Products described in industry usage as of carbon steel, measuring 1.2 mm to 1.24 mm in thickness; 20 mm to 20.4 mm in width; consisting of carbon steel coils (SAE 1012) with a lining of sintered phosphorus bronze alloy with chemical composition (percent by weight): tin 5.5 to 7; phosphorus 0.03 to 0.35; lead less than 1 and other non-copper materials less than 1.

**Product 12** Products described in industry usage as of carbon steel, measuring 1.8 mm to 1.88 mm in thickness and 43.3 mm to 43.7 mm in width; base of SAE 1010 steel with a lining of aluminum based alloy with chemical composition (percent by weight): tin 10 to 15, lead 1 to 3, copper 0.7 to 1.3, silicon 1.8 to 3.5, chromium 0.1 to 0.7 and other materials less than 1; meeting the requirements of SAE standard 788 for bearing and bushing alloys.

**Product 13** Products described in industry usage as of carbon steel, measuring 1.8 mm to 1.88 mm in thickness and 24.2 mm to 24.6 mm in width; base of SAE 1010 steel with a lining of aluminum alloy with chemical composition (percent by weight): tin 10 to 15, lead 1 to 3, copper 0.7 to 1.3, silicon 1.8 to 3.5, chromium 0.1 to 0.7 and other materials less than 1; meeting the requirements of SAE standard 788 for bearing and bushing alloys.

**Product 14** Flat-rolled coated SAE 1009 steel in coils, with thickness not less than 0.915 mm but not over 0.965 mm, width not less than 19.75 mm or more but not over 20.35 mm; with a two-layer coating; the first layer

consisting of tin 9 to 11%, lead 9 to 11%, zinc less than 1%, other materials (other than copper) not over 1% and balance copper; the second layer consisting of lead 45 to 55%, molybdenum disulfide (MoS<sub>2</sub>) 3 to 5%, other materials not over 2%, balance PTFE.

**Product 15** Flat-rolled coated SAE 1009 steel in coils with thickness not less than 0.915 mm or more but not over 0.965 mm; width not less than 18.65 mm or more but not over 19.25 mm; with a two-layer coating; the first layer consisting of tin 9 to 11%, lead 9 to 11%, zinc less than 1%, other materials (other than copper) not over 1%, balance copper; the second layer consisting of lead 33 to 37%, aromatic polyester 13 to 17%, other materials other than PTFE less than 2%, balance PTFE.

**Product 16** Flat-rolled coated SAE 1009 steel in coils with thickness not less than 0.920 mm or more but not over 0.970 mm; width not less than 21.35 mm or more but not over 21.95 mm; with a two-layer coating; the first layer consisting of tin 9 to 11%, lead 9 to 11%, zinc less than 1%, other materials (other than copper) not over 1%, balance copper; the second layer consisting of lead 33 to 37%, aromatic polyester 13 to 17%, other materials (other than PTFE) less than 2%, balance PTFE.

**Product 17** Flat-rolled coated SAE 1009 steel in coils with thickness not less than 1.80 mm or more but not over 1.85 mm; width not less than 14.7 mm or more but not over 15.3 mm; with a lining consisting of tin 2.5 to 4.5%, lead 21.0 to 25.0%, zinc less than 3%, iron less than 0.35%, other materials (other than copper) less than 1%, balance copper.

**Product 18** Flat-rolled coated SAE 1009 steel in coils with thickness 1.59 mm or more but not over 1.64 mm; width 14.5 mm or more but not over 15.1 mm; with a lining consisting of tin 2.3 to 4.2%, lead 20 to 25%, iron 1.5 to 4.5%, phosphorus 0.2 to 2.0%, other materials (other than copper) less than 1%, balance copper.

**Product 19** Flat-rolled coated SAE 1009 steel in coils with thickness not less than 1.75 mm or more but not over 1.8 mm; width not less than 18.0 mm or more but not over 18.6 mm; with a lining consisting of tin 2.3 to 4.2%, lead 20 to 25%, iron 1.5 to 4.5%, phosphorus 0.2 to 2.0%, other materials (other than copper) less than 1%, balance copper.

**Product 20** Flat-rolled coated SAE 1009 steel in coils with thickness 1.59 mm or more but not over 1.64 mm; width 13.6 mm or more but not over 14.2 mm; with a lining consisting of tin

2.3 to 4.2%, lead 20 to 25%, iron 1.5 to 4.5%, phosphorus 0.2 to 2.0%, other materials (other than copper) less than 1%, with a balance copper.

**Product 21** Flat-rolled coated SAE 1009 steel in coils with thickness 1.59 mm or more but not over 1.64 mm; width 11.5 mm or more but not over 12.1 mm; with a lining consisting of tin 2.3 to 4.2%, lead 20 to 25%, iron 1.5 to 4.5%, phosphorus 0.2 to 2.0%, other materials (other than copper) less than 1%, balance copper.

**Product 22** Flat-rolled coated SAE 1009 steel in coils with thickness 1.59 mm or more but not over 1.64 mm; width 11.2 mm or more but not over 11.8 mm; with a lining consisting of copper 0.7 to 1.3%, tin 17.5 to 22.5%, silicon less than 0.3%, nickel less than 0.15%, other materials less than 1%, balance aluminum.

**Product 23** Flat-rolled coated SAE 1009 steel in coils with thickness 1.59 mm or more but not over 1.64 mm; width 7.2 mm or more but not over 7.8 mm; with a lining consisting of copper 0.7 to 1.3%, tin 17.5 to 22.5%, silicon less than 0.3%, nickel less than 0.15%, other materials (other than copper) less than 1%, balance copper.

**Product 24** Flat-rolled coated SAE 1009 steel in coils with thickness 1.72 mm or more but not over 1.77 mm; width 7.7 mm or more but not over 8.3 mm; with a lining consisting of copper 0.7 to 1.3%, tin 17.5 to 22.5%, silicon less than 0.3%, nickel less than 0.15%, other materials (other than copper) less than 1%, balance copper. *See Notice of Final Results of Antidumping Duty Changed Circumstances Review and Revocation, in Part: Certain Corrosion-Resistant Carbon Steel Flat Products From Japan*, 70 FR 5137 (Feb. 1, 2005).

#### Analysis of Comments Received

All issues raised in these reviews are addressed in the Issues and Decision Memorandum ("Decision Memorandum") from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated May 30, 2006, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit room B-099 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memorandum are identical in content.

#### Final Results of Review

The Department determines that revocation of the AD orders on CORE from Australia, Canada, France, Germany, Japan, and South Korea would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

<b>Australia.</b>	
Broken Hill Proprietary Company Ltd. ("BHP") .....	24.96%
All Others .....	24.96%
<b>Canada.</b>	
Dofasco, Inc. ....	11.71%
Stelco, Inc. ....	22.70%
All Others .....	18.71%
<b>France.</b>	
Usinor Sacilor .....	29.41%
All Others .....	29.41%
<b>Germany.</b>	
Thyssen Stahl AG ("Thyssen") .....	10.02%
All Others .....	10.02%
<b>Japan.</b>	
Kawasaki Steel Corporation ("KSC") .....	36.41%
Nippon Steel Corporation ("NSC") ...	36.41%
All Others .....	36.41%
<b>South Korea.</b>	
Pohang Iron and Steel Company, Ltd. ....	17.70%
All Others .....	17.70%

#### Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: May 30, 2006.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E6-8760 Filed 6-5-06; 8:45 am]

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**DEPARTMENT OF COMMERCE****International Trade Administration**

[C-580-818]

**Certain Corrosion-Resistant Carbon Steel Flat Products From Korea: Final Results of Expedited Five-Year (“Sunset”) Review of the Countervailing Duty Order**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On November 1, 2005, the Department of Commerce (“the Department”) published in the **Federal Register** the notice of initiation of the second five-year sunset review of the countervailing duty order on certain corrosion-resistant carbon steel flat products (CORE) from the Republic of Korea (“Korea”), pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). *See Initiation of Five-Year (“Sunset”) Reviews*, 70 FR 65884 (November 1, 2005) (“*Second Sunset Review*”). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of domestic interested parties, and an inadequate response from respondent interested parties (in this case, no response), the Department has conducted an expedited sunset review of this order pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B). As a result of this sunset review, the Department finds that revocation of the countervailing duty order is likely to lead to continuation or recurrence of a countervailable subsidy at the level indicated in the “Final Results of Review” section of this notice.

**DATES:** *Effective Date:* June 6, 2006.

**FOR FURTHER INFORMATION CONTACT:** Stephanie Moore or Brandon Farlander, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., NW., Washington, DC 20230; telephone: (202) 482-3692 or (202) 482-5439, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

The countervailing duty order which covers CORE from Korea, was published in the **Federal Register** on August 17, 1993. *See Countervailing Duty Orders and Amendments to Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Korea*, 58 FR 43752 (August 17, 1993). On November 1, 2005, the Department initiated the second sunset review of the



countervailing duty order on CORE from Korea, pursuant to section 751(c) of the Act. See *Second Sunset Review*. The Department received notices of intent to participate from Nucor Corporation ("Nucor"), Mittal Steel USA ISG Inc. ("Mittal Steel USA") and Ispat-Inland ("Ispat"); United States Steel Corporation ("U.S. Steel"); (collectively, "domestic interested parties"); and on behalf of United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC ("USW"), within the deadline specified in 19 CFR 351.218(d)(1)(i). Domestic interested parties and the USW claimed interested party status under sections 771(9)(C) and (D) of the Act, as U.S. producers and a certified union engaged in the manufacture, production, or wholesale of CORE in the United States.

On December 1, 2005, the Department received a substantive response from domestic interested parties within the deadline specified in section 19 CFR 351.218(d)(3)(i). The Department did not receive any responses from any respondent interested party to this proceeding. In accordance with 19 CFR 351.218(e)(1)(ii)(C)(2), the Department notified the International Trade Commission ("ITC") that respondent interested parties provided an inadequate response to the Notice of Initiation of Five-Year ("Sunset") Review.<sup>1</sup> The Department, therefore, is conducting an expedited sunset review of the countervailing duty order, pursuant to 19 CFR 351.218(e)(1)(ii)(B) and 351.218(e)(1)(ii)(C)(2).

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995, the effective date of the Uruguay Round Agreements Act), as is the case in this proceeding. As such, the Department determined that the sunset review of the countervailing duty order on CORE from Korea is extraordinarily complicated and required additional time for the completion of the final results of review. In accordance with section 751(c)(5)(B) of the Act, the Department extended the time limit for completion of the final results of CORE from Korea until no

later than May 30, 2006. See *Certain Corrosion-Resistant Carbon Steel Flat Products from Australia, Canada, France, Germany, Japan, and South Korea: Extension of Time Limits for Final Results of Expedited Sunset Reviews*, 71 FR 10006 (February 28, 2006).

#### Scope of the Order

The merchandise covered by this order includes flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers 7210.31.0000, 7210.39.0000, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.60.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.21.0000, 7212.29.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.5000, 7217.12.1000, 7217.13.1000, 7217.19.1000, 7217.19.5000, 7217.22.5000, 7217.23.5000, 7217.29.1000, 7217.29.5000, 7217.32.5000, 7217.33.5000, 7217.39.1000, and 7217.39.5000. Included in this order are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been beveled or rounded at the edges. Excluded from this order are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel"), whether or not painted,

varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating. Excluded from this order are clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness. Also excluded from this order are certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by this order is dispositive.

#### Analysis of Comments Received

All issues raised in substantive responses by parties in this sunset review are addressed in the *Issues and Decision Memorandum for Final Results of Expedited Five-Year ("Sunset") Review of the Countervailing Duty Order on Certain Corrosion-Resistant Carbon Steel Flat Products from Korea* ("Decision Memo"), from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated May 30, 2006, which is hereby adopted by this notice. The issues discussed in the *Decision Memo* include the likelihood of continuation or recurrence of a countervailable subsidy and the net countervailable subsidy rate likely to prevail if the order were revoked.

Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendation in this public memorandum which is on file in B-099, the Central Records Unit, of the main Commerce building. In addition, a complete version of the *Decision Memo* can be accessed directly on the Department's Web page at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the *Decision Memo* are identical in content.

#### Final Results of Review

The Department determines that revocation of the countervailing duty order on CORE from Korea is likely to lead to continuation or recurrence of countervailable subsidies at the following countervailing duty rate:

<sup>1</sup> See December 21, 2005 letter to ITC, Robert Carpenter, Director of Investigations, from Barbara E. Tillman, Director, Office 6, AD/CVD Operations, Import Administration.

Manufacturer/exporter	Net subsidy margin (percent)
All Producers/Exporters from Korea <sup>2</sup> .....	1.15

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.303 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this determination and notice in accordance with sections 751(c), 752, and 777(i) of the Act.

Dated: May 30, 2006.

**David M. Spooner,**  
*Assistant Secretary for Import  
Administration.*

[FR Doc. E6-8754 Filed 6-5-06; 8:45 am]

**BILLING CODE 3510-DS-P**

conducting an expedited sunset review pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B). As a result of this sunset review, the Department finds that revocation of the CVD order would be likely to lead to continuation or recurrence of countervailable subsidies at the levels indicated in the "Final Results of Review" section of this notice.

**DATES:** *Effective Date:* June 6, 2006.

**FOR FURTHER INFORMATION CONTACT:**

Robert Copyak or Brandon Farlander, AD/CVD Operations, Import Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, DC 20230; telephone: 202-482-2209 or 202-482-0182, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On November 1, 2005, the Department initiated a sunset review of the CVD order on certain cut-to-length carbon steel plate from Mexico pursuant to section 751(c) of the Act. *See Initiation of Five-Year ("Sunset") Reviews*, 70 FR 65884. In November 2005, the Department received notices of intent to participate on behalf of Nucor Corporation ("Nucor"); IPSCO Steel Inc. ("IPSCO"); Oregon Steel Mills ("Oregon Steel"); Mittal Steel USA ISG Inc. ("Mittal Steel USA"); and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC ("USW") (collectively, "domestic interested parties"). The domestic interested parties claimed interested party status under sections 771(9)(C) and (D) of the Act, as domestic producers of a like product, or a union engaged in the production of subject merchandise in the United States. The Department received a complete substantive response from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We did not receive a substantive response or a rebuttal response from any foreign respondents. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department is conducting an expedited sunset review of this CVD order.

**Scope of the Order**

The products covered by this order are certain cut-to-length carbon steel plates. These products include hot-rolled carbon steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not

exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule of the United States ("HTSUS") under item numbers 7208.31.0000, 7208.32.0000, 7208.33.1000, 7208.33.5000, 7208.41.0000, 7208.42.0000, 7208.43.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.11.0000, 7211.12.0000, 7211.21.0000, 7211.22.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Included in this administrative review are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been beveled or rounded at the edges. Excluded from this administrative review is grade X-70 plate. HTSUS subheadings are provided for convenience and customs purposes. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by this order is dispositive.

**Analysis of Comments Received**

All issues raised in this review are addressed in the *"Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Certain Cut-to-Length Carbon Steel Plate from Mexico; Final Results"* ("Decision Memorandum") from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration to David M. Spooner, Assistant Secretary for Import Administration, dated May 30, 2006, which is hereby adopted by this notice. The issues discussed in the *Decision Memorandum* include the likelihood of continuation or recurrence of a countervailable subsidy and the net countervailable subsidy rate likely to prevail if the order were revoked.

Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[C-201-810]

**Certain Cut-to-Length Carbon Steel Plate From Mexico: Final Results of Expedited Five-Year ("Sunset") Review of the Countervailing Duty Order**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On November 1, 2005, the Department of Commerce ("the Department") initiated a sunset review of the countervailing duty ("CVD") order on certain cut-to-length carbon steel plate from Mexico pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). *See Initiation of Five-Year ("Sunset") Reviews*, 70 FR 65884 (November 1, 2005). On the basis of notices of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties, and an inadequate response from respondent interested parties (in this case, no response), the Department is

<sup>2</sup> Union Steel was excluded from the order on the basis of a *de minimis* net subsidy rate. *See Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products From Korea: Amended Final Affirmative Countervailing Duty Determinations in Accordance with Decision Upon Remand*, 66 FR 16656 (March 27, 2001).

this public memorandum which is on file in the Central Records Unit, Room B-099 of the main Commerce building. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the *Decision Memorandum* are identical in content.

#### Final Results of Review

The Department determines that revocation of the CVD order on certain cut-to-length carbon steel plate from Mexico would be likely to lead to continuation or recurrence of a countervailable subsidy at the rates listed below:

Manufacturer/exporter	Net countervailable subsidy (percent)
AHMSA .....	28.32
All Others .....	20.25

#### Notification Regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing these results and notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act.

Dated: May 30, 2006.

**David M. Spooner,**

*Assistant Secretary for Import  
Administration.*

[FR Doc. 06-5144 Filed 6-5-06; 8:45 am]

**BILLING CODE 3510-DS-P**

**SUMMARY:** On November 1, 2005, the Department of Commerce (“the Department”) published in the **Federal Register** the notice of initiation of the second five-year sunset review of the countervailing duty order on certain cut-to-length carbon steel plate (“CTL Plate”) from Brazil, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). See *Initiation of Five-year (“Sunset”) Reviews*, 70 FR 65884 (November 1, 2005) (“Second Sunset Review”). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of domestic interested parties, and an inadequate response from respondent interested parties (in this case, no response), the Department has conducted an expedited sunset review of this order pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(B) of the Department’s regulations. As a result of this sunset review, the Department finds that revocation of the countervailing duty order is likely to lead to continuation or recurrence of a countervailable subsidy at the level indicated in the “Final Results of Review” section of this notice.

**EFFECTIVE DATE:** June 6, 2006.

**FOR FURTHER INFORMATION CONTACT:** Martha Douthit or Dana Mermelstein, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., NW., Washington, DC 20230; telephone: (202) 482–2371 or (202) 482–3964, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

The countervailing duty order which covers CTL Plate from Brazil was published in the **Federal Register** on August 17, 1993. See *Countervailing Duty Order and Amendment to Final Affirmative Countervailing Duty Determination: Certain Steel Products From Brazil*, 58 FR 43751 (August 17, 1993). On November 1, 2005, the Department initiated the second sunset review of the countervailing duty order on CTL Plate from Brazil, pursuant to section 751(c) of the Act. See *Second Sunset Review*. The Department received notices of intent to participate from IPSCO, Inc., Mittal Steel USA ISG, Inc., Nucor Corporation, Oregon Steel Mills, Inc., and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL–CIO–CLC (“USW”) (collectively, “domestic interested parties”), within the deadline

specified in 19 CFR 351.218(d)(1)(i).<sup>1</sup> Domestic interested parties claimed interested party status under sections 771(9)(C) and (D) of the Act, as U.S. producers and a certified union engaged in the manufacture, production, or wholesale of CTL Plate in the United States.

On November 30, 2005, the Department received a substantive response from domestic interested parties within deadline specified in 19 CFR 351.218(d)(3)(i).<sup>2</sup> The Department did not receive any responses from any respondent interested party to this proceeding. In accordance with 19 CFR 351.218(e)(1)(ii)(C)(1), the Department notified the International Trade Commission (“ITC”) that respondent interested parties provided an inadequate response to the Notice of Initiation of Five-year (“Sunset”) Reviews.<sup>3</sup> The Department, therefore, has conducted an expedited sunset review of the countervailing duty order, pursuant to 19 CFR 351.218(e)(1)(ii)(B) and 351.218(e)(1)(ii)(C)(2).

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995, the effective date of the Uruguay Round Agreements Act), as is the case in this proceeding. As such, the Department determined that the sunset review of the countervailing duty order on CTL Plate from Brazil, is extraordinarily complicated and requires additional time for the completion of final results of review. In accordance with section 751(c)(5)(B) of the Act, the Department extended the time limit for completion of the final results of CTL Plate from Brazil until no later than May 30, 2006. See *Cut-to-Length Carbon Steel Plate from Brazil and Spain; Extension of Time Limits for Final Results of Expedited Five-year (“Sunset”) Reviews*

<sup>1</sup> Domestic interested parties note that Mittal, IPSCO, and Oregon Steel Mills, were the petitioners or successors to petitioners in the original investigation and that they have participated in the first sunset review.

<sup>2</sup> On December 1, 2005, the Department received a letter from domestic interested parties regarding an amendment to their November 30, 2005 substantive response to the Department’s initiation of the sunset review on CTL Plate from Brazil. In the letter, domestic interested parties included United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL–CIO–CLC (“USW”) to the November 30, 2005 substantive response.

<sup>3</sup> See December 21, 2005 letter to Robert Carpenter, Director of Investigations, ITC, from Barbara E. Tillman, Director, Office 6, AD/CVD Operations, Import Administration.

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

(C–351–818)

**Cut-to-Length Carbon Steel Plate from Brazil: Final Results of Expedited Five-year (“Sunset”) Review of the Countervailing Duty Order**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

of Countervailing Duty Orders; 71 FR 7018 (February 10, 2006).

Since the publication of its results in the first sunset review (see *Cut-to-Length Carbon Steel Plate from Brazil; Final Results of Expedited Sunset Review of Countervailing Duty Order*, 65 FR 18065 (April 6, 2000) ("First Sunset Review")), there have been no administrative reviews of this order.

### Scope of the Order

The products covered by this countervailing duty order include hot-rolled carbon steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule of the United States ("HTSUS") under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Included within the scope are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling"); for example, products which have been beveled or rounded at the edges. Excluded is grade X-70 plate. These HTSUS item numbers are provided for convenience and customs purposes. The Department's written description remains dispositive.

Since the completion of the first sunset review, the Department has determined that continuous cast steel slab is outside the scope of this order. See *Notice of Scope Rulings and Anti-circumvention Inquiries*, 68 FR 36770 (June 19, 2003).

### Analysis of Comments Received

All issues raised in substantive responses by parties to this sunset review are addressed in the *Issues and Decision Memorandum for Final Results of Expedited Five-year ("Sunset") Review of the Countervailing Duty Order on Certain Cut-to-Length Steel Plate from Brazil*, ("Decision Memo") from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated May 30, 2006, which is hereby adopted by this notice. The issues discussed in the *Decision Memo* include the likelihood of continuation or recurrence of a countervailable subsidy and the net countervailable subsidy rate likely to prevail if the order were the order revoked.

Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendation in this public memorandum which is on file in B-099, the Central Records Unit, of the main Commerce building. In addition, a complete version of the *Decision Memo* can be accessed directly on the Department's Web page at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the *Decision Memo* are identical in content.

### Final Results of Review

The Department determines that revocation of the countervailing duty order on CTL Plate from Brazil would be likely to lead to continuation or recurrence of countervailable subsidies at the following net countervailing duty rates:

Manufacturer/Exporter	Net Subsidy Rate (percent)
Usinas Siderurgicas de Minas Gerais S.A. ("USIMINAS") .....	5.44
Companhia Siderurgica Paulista ("COSIPA") .....	48.64
All others .....	23.10

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this determination and notice in accordance

with sections 751(c), 752, and 777(i) of the Act.

Dated: May 30, 2006.

**David M. Spooner,**  
Assistant Secretary for Import  
Administration.

[FR Doc. E6-8756 Filed 6-5-06; 8:45 am]

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**DEPARTMENT OF COMMERCE****International Trade Administration****(C-469-804)****Cut-to-Length Carbon Steel Plate from Spain: Final Results of Expedited Five-year ("Sunset") Review of the Countervailing Duty Order**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On November 1, 2005, the Department of Commerce ("the Department") published in the **Federal Register** the notice of initiation of the second five-year sunset review of the countervailing duty order on certain cut-to-length carbon steel plate ("CTL Plate") from Spain, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). *See Initiation of Five-year ("Sunset") Reviews*, 70 FR 65884 (November 1, 2005) ("Second Sunset Review"). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of domestic interested parties, and an inadequate response from respondent interested parties (in this case, no response), the Department has conducted an expedited sunset review of this order pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(B) of the Department's regulations. As a result of this sunset review, the Department finds that revocation of the countervailing duty order is likely to lead to continuation or recurrence of a countervailable subsidy at the level indicated in the "Final Results of Review" section of this notice.

**EFFECTIVE DATE:** June 6, 2006.

**FOR FURTHER INFORMATION CONTACT:** Myrna Lobo or Sean Carey, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., N.W., Washington, D.C. 20230; telephone: (202) 482-2371 or (202) 482-3964, respectively.

**SUPPLEMENTARY INFORMATION:**

## Background

The countervailing duty order which covers CTL Plate from Spain, was published in the **Federal Register** on August 17, 1993. See *Countervailing Duty Order: Certain Steel Products from Spain*, 58 FR 43761 (August 17, 1993). On November 1, 2005, the Department initiated the second sunset review of the countervailing duty order on CTL Plate from Spain, pursuant to section 751(c) of the Act. See *Second Sunset Review*. The Department received notices of intent to participate from IPSCO, Inc., Mittal Steel USA ISG, Inc., Nucor Corporation, Oregon Steel Mills, Inc., United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC ("USW") (collectively "domestic interested parties"), within the deadline specified in 19 CFR 351.218(d)(1)(i).<sup>1</sup> Domestic interested parties claimed interested party status under sections 771(9)(C) and (D) of the Act, as U.S. producers and a certified union engaged in the manufacture, production, or wholesale of CTL Plate in the United States.

On November 30, 2005, the Department received a substantive response from domestic interested parties within the deadline specified in section 19 CFR 351.218(d)(3)(i).<sup>2</sup> The Department did not receive any responses from any respondent interested party to this proceeding. In accordance with 19 CFR 351.218(e)(1)(ii)(C)(2), the Department notified the International Trade Commission ("ITC") that respondent interested parties provided inadequate response to the Notice of Initiation of Five-year ("Sunset") Review.<sup>3</sup> The Department, therefore, is conducting an expedited sunset review of the countervailing duty order, pursuant to 19 CFR 351.218(e)(1)(ii)(B) and 351.218(e)(1)(ii)(C)(2).

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as

extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995, the effective date of the Uruguay Round Agreements Act), as is the case in this proceeding. As such, the Department determined that the sunset review of the countervailing duty order on CTL Plate from Spain is extraordinarily complicated and required additional time for the completion of the final results of review. In accordance with section 751(c)(5)(B) of the Act, the Department extended the time limit for completion of the final results of CTL Plate from Spain until no later than May 30, 2006. See *Cut-to-Length Carbon Steel Plate from Brazil and Spain; Extension of Time Limits for Final Results of Expedited Five-year ("Sunset") Reviews of Countervailing Duty Orders*; 71 FR 7018 (February 10, 2006).

Since the publication of its results in the first sunset review, see *Cut-to-Length Carbon Steel Plate from Spain; Final Results of Expedited Sunset Review of Countervailing Duty Order*, 65 FR 18307 (April 7, 2000) ("*First Sunset Review*"), the Department has conducted two proceedings pursuant to Section 129 of the Uruguay Round Agreements Act (URAA). See *Final Results of Expedited Sunset Review of Cut-to-Length Carbon Steel Plate from Spain ("First Section 129 Review")*, from Joseph A. Spetrini, Deputy Assistant Secretary for Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated October 24, 2003; and *Second Section 129 Determination on the Sunset Review of the Countervailing Duty Order on Certain Cut-to-Length Carbon Steel Plate from Spain ("Second Section 129 Review")*, from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated May 26, 2006. The *First Section 129 Review* was conducted pursuant to a WTO ruling that found the Department must modify its privatization methodology and apply that revised methodology to the *First Sunset Review*. The Department modified its methodology but determined it unnecessary to reach the privatization issue in the *First Section 129 Review* in view of its conclusion on recurring, non-allocable subsidies. The WTO, however, disagreed and directed the Department to conduct a second 129 proceeding to apply its modified privatization methodology.

In the *Second Section 129 Review*, the Department determined that the privatization of Aceralia did not

extinguish the non-recurring, allocable subsidies provided to Aceralia prior to its privatization. The Department further determined that it had been provided substantial evidence that demonstrated the termination of programs under Royal Decree 878/81 that were originally found countervailable in the investigation. However, because countervailable programs continued to exist, the Department determined that revocation of the countervailing duty order would likely lead to continuation or recurrence of a countervailable subsidy.

## Scope of the Order

The products covered by this countervailing duty order, include hot-rolled carbon steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule of the United States ("HTSUS") under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Included within the scope are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling"); for example, products which have been beveled or rounded at the edges. Excluded is grade X-70 plate. These HTSUS item numbers are provided for convenience and customs purposes. The Department's written description remains dispositive.

## Analysis of Comments Received

All issues raised in substantive responses by parties in this sunset review are addressed in the *Issues and*

<sup>1</sup> Domestic interested parties note that Mittal, IPSCO, and Oregon Steel Mills, were the petitioners or successors to petitioners in the original investigation and that they have participated in subsequent reviews.

<sup>2</sup> On December 1, 2005, the Department received a letter from domestic interested parties amending their November 30, 2005 substantive response to the Department's initiation of the sunset review on CTL Plate from Spain, to include United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC ("USW").

<sup>3</sup> See December 21, 2005 letter to ITC, Robert Carpenter, Director of Investigations, from Barbara E. Tillman, Director, Office 6, AD/CVD Operations, Import Administration.



*Decision Memorandum for Final Results of Expedited Five-year ("Sunset") Review of the Countervailing Duty Order on Cut-to-Length Steel Plate from Spain ("Decision Memo")*, from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated May 30, 2006, which is hereby adopted by this notice. The issues discussed in the *Decision Memo* include the likelihood of continuation or recurrence of a countervailable subsidy and the net countervailable subsidy rate likely to prevail if the order were revoked.

Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendation in this public memorandum which is on file in B-099, the Central Records Unit, of the main Commerce building. In addition, a complete version of the *Decision Memo* can be accessed directly on the Department's Web page at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the *Decision Memo* are identical in content.

#### Final Results of Review

The Department determines that revocation of the countervailing duty order on CTL Plate from Spain is likely to lead to continuation or recurrence of countervailable subsidies at the following countervailing duty rate:

Manufacturer/Exporter	Net Subsidy Margin (percent)
All Producers/Exporters from Spain .....	33.68

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.303 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this determination and notice in accordance with sections 751(c), 752, and 777(i) of the Act.

Dated: May 30, 2006.

**David M. Spooner,**  
*Assistant Secretary for Import  
Administration.*

[FR Doc. E6-8757 Filed 6-5-06; 8:45 am]

BILLING CODE 3510-DS-S

**ACTION:** Revised schedule for the subject reviews.

**DATES:** *Effective Date:* September 20, 2006.

**FOR FURTHER INFORMATION CONTACT:** Michael Szustakowski (202–205–3188) or Douglas Corkran (202–205–3057), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:** Effective March 22, 2006, the Commission established a schedule for the conduct of the subject full reviews (71 FR 16178, March 30, 2006). Subsequently, counsel on behalf of domestic interested parties, IPSCO Steel, Inc., Mittal Steel, Nucor, and Oregon Steel Mills, requested that the Commission postpone its deadline for the filing of prehearing briefs for the cut-to-length plate portion of the reviews by one day. Counsel cited the burden of filing prehearing briefs on cut-to-length plate and corrosion-resistant steel on the same day.<sup>1</sup> No party to the reviews objected to the requested postponement. The Commission, therefore, is revising its schedule to incorporate this change to the schedule of the reviews.

The Commission's new schedule for the reviews is as follows: The deadline for filing prehearing briefs for the CTL steel plate portion of the reviews is October 6, 2006.

For further information concerning these reviews see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

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## INTERNATIONAL TRADE COMMISSION

[Investigation Nos. AA1921–197 (Second Review); 701–TA–319, 320, 325–328, 348, and 350 (Second Review); and 731–TA–573, 574, 576, 578, 582–587, 612, and 614–618 (Second Review)]

**Certain Carbon Steel Products From Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and The United Kingdom**

**AGENCY:** United States International Trade Commission.

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<sup>1</sup> Correspondence of September 5, 2006, from Wiley Rein & Fielding, Schagrin Associates, and Stewart and Stewart.

Issued: September 26, 2006.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E6-16230 Filed 10-2-06; 8:45 am]

**BILLING CODE 7020-02-P**

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**DEPARTMENT OF COMMERCE****International Trade Administration****[C-427-810]****Corrosion-Resistant Carbon Steel Flat Products From France; Final Results of Full Sunset Review**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On November 1, 2005, the Department of Commerce ("the Department") initiated a sunset review of the countervailing duty ("CVD") order on certain corrosion-resistant carbon steel flat products from France, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested party, an adequate response from respondent interested parties, and respondent interested parties' arguments regarding post-investigation privatization of Usinor, the Department determined to conduct a full sunset review of this CVD order pursuant to section 751(c) of the Act and 19 CFR 351.218(e)(2). As a result of this sunset review, the Department finds that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy. Therefore, the Department is not revoking this CVD order.

**DATES:** *Effective Date:* October 4, 2006.

**FOR FURTHER INFORMATION CONTACT:** Stephanie Moore or Brandon Farlander, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-3692 or (202) 482-4136, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

On November 1, 2005, the Department initiated a sunset review of the CVD order on certain corrosion-resistant carbon steel flat products from France pursuant to section 751(c) of the Act. *See Initiation of Five-Year ("Sunset") Reviews*, 70 FR 65884 (November 1, 2005).

On May 31, 2006, the Department published the preliminary results of the full sunset review of the instant order. *See Preliminary Results of Full Sunset Review: Certain Corrosion-Resistant Carbon Steel Flat Products from France*, 71 FR 30875 (May 31, 2006). Interested parties were invited to comment on our preliminary results. On July 11, 2006,

we received a case brief from Duferco Coating SA and Sorral SA (collectively, "Duferco Sorral"). We also received comments from the European Commission and from Sollac Atlantique, Sollac, Lorraine, Arcelor FCS Commercial, and Arcelor International America, LLC ("respondent interested parties"). On July 17, 2006, we received a rebuttal brief from United States Steel Corporation ("domestic interested party").

### Scope of the Order

The merchandise covered by this order includes flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable under the Harmonized Tariff Schedule of the United States ("HTSUS") item numbers 7210.31.000, 7210.39.0000, 7210.41.000, 7210.49.0030, 7210.49.0090, 7210.60.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.21.0000, 7212.29.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.5000, 7217.12.1000, 7217.13.1000, 7217.19.1000, 7217.19.5000, 7217.22.5000, 7217.23.5000, 7217.29.1000, 7217.29.5000, 7217.32.5000, 7217.33.5000, 7217.39.1000, 7217.33.5000, 7217.39.1000, and 7217.39.5000. Included in this order are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been beveled or rounded at the edges. Excluded from this order are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both

chromium and chromium oxides ("tin-free steel"), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating. Excluded from this order are clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness. Also excluded from this order are certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio. The HTSUS numbers are provided for convenience and customs purposes. The written description remains dispositive.

### Analysis of Comments Received

All issues raised in this review are addressed in the Issue and Decision Memorandum ("Decision Memorandum") from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to James C. Leonard, III, Acting Assistant Secretary for Import Administration, dated September 27, 2006, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in the Central Records Unit, Room B-099 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memorandum are identical in content.

### Final Results of Review

The Department determines that revocation of the CVD order on corrosion-resistant carbon steel flat products from France is likely to lead to continuation or recurrence of countervailable subsidies at the following countervailing duty rate:

Manufacturer/exporter	Net subsidy margin (percent)
Country-Wide Rate .....	0.16

### Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary

information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing these results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: September 27, 2006.

**James C. Leonard, III,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 06-8485 Filed 10-3-06; 8:45 am]

**BILLING CODE 3510-05-M**

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**DEPARTMENT OF COMMERCE****International Trade Administration****C-423-806****Cut-to-Length Carbon Steel Plate from Belgium: Final Results of Full Sunset Review**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On November 1, 2005, the Department of Commerce (the Department) initiated a sunset review of the countervailing duty (CVD) order on cut-to-length carbon steel plate (CTL plate) from Belgium, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties and adequate responses from respondent interested parties, the Department determined to conduct a full sunset review of this CVD order pursuant to section 751(c) of the Act and 19 CFR 351.218(e)(2). On July 21, 2006, the Department published the preliminary results in this review and invited interested parties to comment on those results. *See Preliminary Results of Full Sunset Review: Cut-to-Length Carbon Steel Plate From Belgium*, 71 FR 41424 (*Preliminary Results*). As a result of our analysis, the Department finds that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy at the level indicated in the "Final Results of Review" section of this notice.

**EFFECTIVE DATE:** October 4, 2006.

**FOR FURTHER INFORMATION CONTACT:** Sean Carey, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department

of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3964.

#### SUPPLEMENTARY INFORMATION:

##### Background

On November 1, 2005, the Department initiated the second sunset review of the CVD order on CTL plate from Belgium, pursuant to section 751(c) of the Act. *See Initiation of Five-year ("Sunset") Reviews*, 70 FR 65884 (November 1, 2005). On December 21, 2005, the Department determined that the participation of the respondent interested parties was adequate, and that it was appropriate to conduct a full sunset review. *See Memorandum to Steven J. Claeys, Deputy Assistant Secretary, Import Administration, Re: Adequacy Determination; Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon Steel Plate from Belgium* dated December 21, 2005, and on file in the Central Records Unit, Room B-099 of the Department of Commerce building (CRU).

On February 10, 2006, the Department extended the time limit for the preliminary and final results of the sunset review of the CVD order on CTL plate from Belgium. *See Cut-to-Length Carbon Steel Plate from Belgium, Sweden, and the United Kingdom; Extension of Time Limits for Preliminary and Final Results of Full Five-year ("Sunset") Reviews of Countervailing Duty Orders*, 71 FR 7017. On July 21, 2006, the Department published its *Preliminary Results of Full Sunset Review: Cut-to-Length Carbon Steel Plate from Belgium*, 71 FR 41424 (*Preliminary Results*). In our *Preliminary Results*, we found that revocation of the order would likely lead to continuation or recurrence of countervailable subsidies on the subject merchandise.

Interested parties were invited to comment on our *Preliminary Results*. On August 4, 2006, we received a timely case brief from the Government of Belgium (GOB). On August 7, 2006, we received timely case briefs from Duferco Clabecq S.A. (Duferco), which purchased Forges de Clabecq S.A. (Clabecq), and Arcelor S.A. (Arcelor), claiming to be the successor-in-interest to both Fabrique de Fer de Charleroi (Fafer)<sup>1</sup> and Cockerill Sambre (Cockerill).<sup>2</sup> We received no comments from domestic interested parties.

<sup>1</sup> In other proceedings under this order, Fafer has at times been referred to as "Fabfer."

<sup>2</sup> Although Duferco reported that it purchased Clabecq, and Arcelor claims to be successor-in-interest to the other two original respondent companies, the Department has not made a determination in the past that Duferco and Arcelor are the successors-in-interest to the respective

##### Scope Of The Order

The product subject to this CVD order includes hot-rolled carbon steel universal mill plates (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the United States Harmonized Tariff Schedule ("HTS") under item numbers: 7208.31.0000, 7208.32.0000, 7208.33.1000, 7208.33.5000, 7208.41.0000, 7208.42.0000, 7208.43.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.11.0000, 7211.12.0000, 7211.21.0000, 7211.22.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.5000. Included in this CVD order are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (i.e., products which have been "worked after rolling")--for example, products which have been beveled or rounded at the edges. Excluded from this order is grade X-70 plate. The HTS item numbers are provided for convenience and customs purposes. The written description remains dispositive.

The Court of Appeals for the Federal Circuit found, in *Duferco Steel, Inc. v. United States*, 296 F.3d 1087 (July 12, 2002), that imported floor plate is excluded from this CVD order on steel plate.

##### Analysis Of Comments Received

All issues raised in this review are addressed in the *Issues and Decision*

respondent companies and is not making such a determination in this sunset review. However, we have considered in this sunset review the historical information provided with respect to Duferco and Arcelor for purposes of our privatization and change-in-ownership analyses. *See Memorandum to Stephen J. Claeys, Deputy Assistant Secretary, Import Administration, Re: Sunset Review of Countervailing Duty Order on Cut-to-Length Carbon Steel Plate from Belgium; Analysis of Changes in Ownership*, dated July 14, 2006, incorporated in the *Preliminary Results* and on file in the CRU.

*Memorandum for Final Results of Full Sunset Review of the Countervailing Duty Order on Cut-to-length Carbon Steel Plate from Belgium* from Steven J. Claeys, Deputy Assistant Secretary for Import Administration, to James C. Leonard III, Acting Assistant Secretary for Import Administration (*Final Decision Memorandum*), dated concurrently with this notice and which is hereby adopted by this notice. The issues discussed in the *Final Decision Memorandum* include the likelihood of continuation or recurrence a countervailable subsidy; the net countervailable subsidy likely to prevail; privatization of Cockerill; and, nature of the subsidy. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in the CRU. In addition, a complete version of the *Final Decision Memorandum* can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper and electronic versions of the *Final Decision Memorandum* are identical in content.

##### Final Results Of Review

The Department determines that revocation of the CVD order would likely lead to continuation or recurrence of a countervailable subsidy. As discussed more fully in the *Final Decision Memorandum*, we find that certain countervailable subsidies continue to be in existence. Accordingly, we find the net countervailable subsidy likely to prevail if the order were revoked to be:

Producers/exporters	Net Countervailable Subsidy (percent)
Cockerill .....	2.82
Fafer .....	0.56
All others (including Clabecq) .....	0.50

##### International Trade Commission (ITC) Notification

In accordance with section 752(b)(3) of the Act, we will notify the ITC of the final results of this full sunset review.

##### Notification Regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to

judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this determination and notice in accordance with sections 751(c), 752, and 777(i) of the Act.

Dated: September 27, 2006.

**James C. Leonard III,**

*Acting Assistant Secretary for Import  
Administration.*

[FR Doc. E6-16390 Filed 10-3-06; 8:45 am]

**BILLING CODE 3510-DS-S**



## DEPARTMENT OF COMMERCE

## International Trade Administration

[C-401-804]

**Final Results of Full Sunset Review: Cut-to-Length Carbon Steel Plate From Sweden**

**AGENCY:** Import Administration, International Trade Administration, U.S. Department of Commerce.

**SUMMARY:** On July 19, 2006, the Department of Commerce (the Department) published in the **Federal Register** the preliminary results of the full sunset review of the countervailing duty (CVD) order on cut-to-length carbon steel plate from Sweden, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). As a result of our analysis, the Department preliminarily found that revocation of the CVD order would be likely to lead to the continuation or recurrence of a countervailable subsidy.

We provided interested parties an opportunity to comment on our preliminary results. However, we received no comments from interested parties. As a result, the final results remain the same as the preliminary results of this review.

**EFFECTIVE DATE:** October 4, 2006.

**FOR FURTHER INFORMATION CONTACT:** Jacqueline Arrowsmith or Gene Calvert, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-5255 or (202) 482-3586, respectively.

**SUPPLEMENTARY INFORMATION:** On July 19, 2006, the Department published in the **Federal Register** the preliminary results of the full sunset review of the CVD order on cut-to-length carbon steel plate from Sweden. See *Preliminary Results of Full Sunset Review: Cut-to-Length Carbon Steel Plate From Sweden*, 71 FR 40992 (July 19, 2006)

(*Preliminary Results*). No interested parties filed case briefs in response to the Department's invitation to comment on the *Preliminary Results*.

**Scope of the Order**

The merchandise subject to the CVD order is certain cut-to-length carbon steel plate. These products include hot-rolled carbon steel universal mill plates (*i.e.*, flat-rolled products on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters, and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the United States Harmonized Tariff Schedule (HTS) under item numbers 7208.31.0000, 7208.32.0000, 7208.33.1000, 7208.33.5000, 7208.41.0000, 7208.42.0000, 7208.43.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.11.0000, 7211.12.0000, 7211.21.0000, 7211.22.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Included are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been bevelled or rounded at the edges. Excluded from this review is grade X-70 plate. The HTS item numbers are provided for convenience and customs purposes. The written description remains dispositive.

**Final Results of Review**

As stated in the *Preliminary Results*, the Department determined that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy. In addition, we preliminarily determined that the rate likely to prevail is *de minimis*. As we did not receive any comments from any interested parties regarding the *Preliminary Results*, we have no reason to reconsider our preliminary decision.

**International Trade Commission (ITC) Notification**

In accordance with section 752(b)(3) of the Act, we will notify the ITC of the final results of this full sunset review.

**Administrative Protective Orders**

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR § 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation that is subject to sanction.

We are issuing and publishing these final results and this notice of sunset review in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: September 27, 2006.

**James C. Leonard, III,**  
Acting Assistant Secretary for Import Administration.

[FR Doc. E6-16392 Filed 10-3-06; 8:45 am]

**BILLING CODE 3510-DS-P**

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**DEPARTMENT OF COMMERCE****International Trade Administration****C-412-815****Cut-to-Length Carbon Steel Plate from the United Kingdom: Final Results of Full Sunset Review**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On November 1, 2005, the Department of Commerce (Department) initiated a sunset review of the countervailing duty (CVD) order on cut-to-length carbon steel plate (CTL plate) from the United Kingdom, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties and an adequate response from respondent interested parties, the Department determined to conduct a full sunset review of this CVD order pursuant to section 751(c) of the Act and 19 CFR 351.218(e)(2). On July 19, 2006, the Department published the preliminary results of this review and invited interested parties to comment on those results. *See Preliminary Results of Full Sunset Review: Cut-to-Length Carbon Steel Plate From the United*

Kingdom, 71 FR 40993 (*Preliminary Results*). Based on our analysis of the comments and the record, the Department finds that revocation of the CVD order on CTL plate from the United Kingdom would not be likely to lead to continuation or recurrence of a countervailable subsidy. Therefore, the Department is revoking this CVD order in accordance with section 751(c) of the Act.

**EFFECTIVE DATE:** October 4, 2006.

**FOR FURTHER INFORMATION CONTACT:**

Kimberley Hunt or Mark Hoadley, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-1272 or (202) 482-3148, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On November 1, 2005, the Department initiated a sunset review of the CVD order on cut-to-length carbon steel plate from the United Kingdom pursuant to section 751(c) of the Act. *See Initiation of Five-year ("Sunset") Reviews*, 70 FR 65884 (November 1, 2005) (*Notice of Initiation*).

On December 21, 2005, the Department determined that the participation of the respondent interested parties was adequate, and that it was appropriate to conduct a full sunset review. *See Memorandum to Stephen J. Claeys, Deputy Assistant Secretary, Import Administration, Re: Adequacy Determination; Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon Steel Plate from the United Kingdom*, on file in CRU. On February 10, 2006, the Department extended the time limit for the preliminary and final results of the sunset review of the CVD order on CTL plate from the United Kingdom (UK) to no later than July 14 and September 27, 2006, respectively. *See Cut-to-Length Carbon Steel Plate from Belgium, Sweden, and the United Kingdom; Extension of Time Limits for Preliminary and Final Results of Full Five-year ("Sunset") Reviews of Countervailing Duty Orders*, 71 FR 7017 (February 10, 2006).

On July 19, 2006, the Department published the preliminary results of the full sunset review, finding that revocation of the CVD order would likely lead to continuation or recurrence of a countervailable subsidy and requested case and rebuttal briefs from interested parties. *See Preliminary*

*Results*.<sup>1</sup> Corus Group plc (Corus)<sup>2</sup> requested, and the Department granted, an extension of time for the submission of case briefs, hearing requests and rebuttal briefs. *See Memorandum to All Interested Parties from Barbara E. Tillman, Office Director, Office of AD/CVD Operations 6, Re: Sunset Review of the Countervailing Duty Orders on Cut-to-length carbon steel plate from the United Kingdom; Extension of time to file case and rebuttal briefs* dated July 31, 2006 and on file in CRU.

On August 4, 2006, the European Union Delegation of the European Commission (EC) submitted its brief on the Department's *Preliminary Results*. The Department noted that the case reference was incorrect and asked the EC to resubmit its brief with the proper case reference which it did on August 7, 2006. Additionally on August 7, 2006, the Government of the United Kingdom (UKG) and Corus submitted their briefs. These briefs were rebutted by Mittal Steel USA ISG Inc. (Mittal), Nucor Corporation, IPSCO Steel Inc., and Oregon Steel Mills (collectively, petitioners) on August 14, 2006. Niagara LaSalle (UK) Limited (Niagara)<sup>3</sup> did not submit comments on the *Preliminary Results*.

On August 24, 2006, representatives from the EC and UKG met with representatives from the Department to discuss petitioners' rebuttal brief. A memorandum recording this meeting was placed on the file August 25, 2006. *See Memorandum to The File, Re: August 24, 2006 Meeting with the Government of the United Kingdom and the European Commission*, dated August 30, 2006.

On September 5 and 7, 2006, pursuant to section 351.104(a)(2) of the Department's regulations, the Department rejected the briefs of the UKG, the EC and Corus because they contained new factual information submitted after the time limit for submitting new factual information had expired. The Department removed the

submissions from the record, and requested each party to refile its briefs without the new factual information. *See Letters from Barbara E. Tillman, Director, Office of AD/CVD Enforcement 6 to James Hughes, First Secretary of Trade for the Embassy of the United Kingdom dated September 5, 2006; to Nikolaos Zaimis, Counselor - Head of Trade Section for the Delegation of the European Commission dated September 7, 2006; and to Gregory McCue, Esq., Representative of Corus Group plc, dated September 7, 2006, on file in CRU.*

On September 8 and September 13, 2006, the EC and the UKG submitted letters to the Department declining the Department's invitation to resubmit their briefs. Because neither the EC's nor the UKG's August 7, 2006 submissions are on the record, pursuant to 19 CFR 351.104, we have not addressed any comments raised in those briefs in making our determination in these final results; we have, however, addressed the arguments made in their September 8 and 13, 2006 letters. For a full discussion of these arguments, *see the Issues and Decision Memorandum from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to James C. Leonard III, Acting Assistant Secretary for Import Administration, dated concurrently with this notice (Final Decision Memorandum); see also Memorandum to the File Re: Rejection of Submissions from the United Kingdom Government, the European Union Delegation of the European Commission and Corus Group plc from the Record of the Final Results of the Full Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon Steel Plate from the United Kingdom*, dated September 27, 2006. Corus submitted an amended brief on September 11, 2006.

**Scope Of The Order**

The products covered by this countervailing duty order are certain cut-to-length carbon steel plates from the United Kingdom, including hot-rolled carbon steel universal mill plates (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither

<sup>1</sup> In the *Preliminary Results*, with respect to the change in ownership of Glynwed Steel Limited (Glynwed), the Department concluded that the sale of Glynwed was an arm's-length transaction negotiated between unrelated private parties. Thus, the Department concluded that, because it was a private-to-private sale at arm's length and, absent evidence to the contrary, the transaction was for fair market value and the countervailable benefits attributed to Glynwed in the original investigation were extinguished by the change in ownership. *See "Final Decision in the Second 129 Proceeding - First Sunset review of the Countervailing Duty Order on Cut-to-Length Carbon Steel Plate from the United Kingdom" dated May 26, 2006 (Second 129) at 15.*

<sup>2</sup> Corus/BS plc relationship: *See footnote 2.*

<sup>3</sup> Glynwed Steel Limited (Glynwed)/Niagara relationship: *See footnote 1.*

clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the United States Harmonized Tariff Schedule (HTSUS) under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Included are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling") – for example, products which have been beveled or rounded at the edges. Excluded is grade X-70 plate. These HTSUS item numbers are provided for convenience and customs purposes. The written description remains dispositive. As a result of a changed circumstances review<sup>4</sup>, the order excludes certain cut-to-length carbon steel plate with a maximum thickness of 80 mm in steel grades BS 7191, 355 EM and 355 EMZ, as amended by Sable Offshore Energy Project specification XB MOO Y 15 0001, types 1 and 2.

#### Analysis Of Comments Received

All issues raised in this review are addressed in the *Final Decision Memorandum*, dated concurrently with this notice and which is hereby adopted by this notice. The issues discussed in the *Final Decision Memorandum* include the rejection of untimely submitted new factual information, the likelihood of continuation or recurrence of a countervailable subsidy and the net countervailable subsidy likely to prevail. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in CRU. In addition, a complete version of the *Final Decision Memorandum* can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the *Final Decision Memorandum* are identical in content.

#### Final Results Of Review

The Department determines that revocation of the CVD order would not be likely to lead to continuation or recurrence of a countervailable subsidy. As we recognized in the *Preliminary Results*, three of the six programs previously found to be countervailable have been terminated. For one of the remaining programs, the UK Regional Development Grants (RDG) program, the Department now determines that there is no likelihood that subsidization will continue or recur. In light of the change in our likelihood determination for the RDG program, we have re-examined our preliminary findings for the European Regional Development Fund (ERDF) Aid and the European Coal and Steel Community (ECSC) Article 54 Loans/Interest Rebates programs, the only remaining subsidies that provide a basis for our likelihood determination. As we noted in the *Preliminary Results*, the combined benefits from those programs have never been above zero. Therefore, we find that there would be no likelihood of continuation or recurrence of a countervailable subsidy were the order to be revoked. *See e.g.*, *Final Results of Full Sunset Review: Brass Sheet and Strip from France*, 71 FR 10651 (March 2, 2006), and accompanying *Issues and Decisions Memorandum*. Our full analysis is included in the *Final Decision Memorandum*.

As a result, we are revoking this order effective December 15, 2005, the fifth anniversary of the date of publication in the **Federal Register** of the notice of continuation of the CVD order on CTL plate from the UK. *See Notice of Continuation of Antidumping and Countervailing Duty Orders on Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, South Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom*, 65 FR 78469 (December 15, 2000). We will notify the International Trade Commission of these results. Furthermore, within 15 days of the publication of this notice, we will instruct U.S. Customs and Border Protection to terminate suspension of liquidation, effective December 15, 2005.

#### Notification Regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in

accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing these final results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: September 27, 2006.

**James C. Leonard III,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E6-16393 Filed 10-3-06; 8:45 am]

BILLING CODE 3510-DS-S

<sup>4</sup> See *Certain Cut-to-Length Carbon Steel Plate from Finland, Germany and the United Kingdom: Final Results of Changed Circumstances Antidumping Duty and Countervailing Duty Reviews, and Revocation of Orders in Part*, 64 FR 46343 (August 25, 1999)

General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**Authority:** This five-year review is being terminated under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.69 of the Commission's rules (19 CFR 207.69).

Issued: October 16, 2006.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E6-17621 Filed 10-20-06; 8:45 am]

**BILLING CODE 7020-02-P**

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## INTERNATIONAL TRADE COMMISSION

[Investigation No. 701-TA-328 (Second Review)]

### Cut-to-Length Carbon Steel Plate From the United Kingdom

**AGENCY:** United States International Trade Commission.

**ACTION:** Termination of review.

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**SUMMARY:** On October 4, 2006, the Department of Commerce ("Commerce") published notice in the **Federal Register** of its determination that revocation of the countervailing duty ("CVD") order on cut-to-length ("CTL") carbon steel plate from the United Kingdom would not be likely to lead to continuation or recurrence of a countervailable subsidy. Commerce further stated that it was revoking the CVD order on CTL carbon steel plate from the United Kingdom (71 FR 58587). Accordingly, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)), the five-year review of the countervailing duty order concerning CTL carbon steel plate from the United Kingdom (investigation No. 701-TA-328 (Second Review)) is terminated.

**DATES:** *Effective Date:* October 4, 2006.

**FOR FURTHER INFORMATION CONTACT:**

Michael Szustakowski (202-205-3188), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.



EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY  
in

*Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom*, Inv. Nos. AA1921-197 (Second Review), 701-TA-319, 320, 325-328, 348 and 350 (Second Review), 731-TA-573, 574, 576, 578, 582-587, 612, and 614-618 (Second Review)

On February 6, 2006, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)). The Commission, in consultation with the Department of Commerce, grouped these reviews because they involve similar domestic like products.<sup>1</sup>

**Corrosion-Resistant Carbon Steel Flat Products from Australia, Canada, France, Germany, Japan, and Korea, Inv. Nos. 701-TA-348, 350, 731-TA-612, 614-618 (Second Review)**

With respect to the reviews on corrosion-resistant carbon steel flat products (“corrosion-resistant steel”), the Commission determined that the domestic interested party group response to its notice of institution was adequate. The Commission received a consolidated response from four domestic producers of corrosion-resistant steel.<sup>2</sup> The Commission found the individual response of each of the four domestic corrosion-resistant steel producers, which contained company-specific data, adequate.

The Commission found that the respondent interested party group responses were adequate with respect to the orders on corrosion-resistant steel from Australia, Canada, France, Germany, Japan, and Korea because respondents from each of these countries accounted for a significant share of the production of subject merchandise in their respective countries.

The Commission received an adequate individual response from BlueScope Steel, an Australian producer and exporter of subject merchandise. It also received separate adequate individual responses from Dofasco Inc. and Sorevco Inc., and Stelco Inc., Canadian producers and exporters of subject merchandise. With respect to the reviews of the antidumping and countervailing duty orders on corrosion-resistant steel from France, the Commission received an adequate joint response from Duferco Coating SA and Sorral SA, French producers and exporters of subject merchandise, and Duferco Steel, Inc., a U.S. importer of subject merchandise, and adequate responses from French producers Sollac Atlantique and Sollac Lorraine, and exporter Arcelor FCS Commercial, as well as from Arcelor International America, LLC, an importer of French subject merchandise. The Commission also received an adequate joint response regarding the order on corrosion-resistant steel from Germany from Salzgitter Flachstahl and ThyssenKrupp Steel AG, producers of the subject merchandise in Germany, and ThyssenKrupp Steel N.A. Inc., and ThyssenKrupp Materials N.A. Inc., U.S. importers of subject merchandise, as well as an adequate joint response from German producers Stahlwerke Bremen and Eko Stahl GmbH and exporter Arcelor FCS Commercial, and an adequate individual response from importer Arcelor International America, LLC. The Commission found adequate a joint response concerning the order on corrosion-resistant steel from Japan, filed by JFE Steel Corporation, Kobe Steel, Ltd., Nippon Steel Corporation, Nisshin Steel Co., Ltd., and Sumitomo Metal Industries, Ltd., Japanese producers of corrosion-resistant steel. Finally, with respect to the reviews of the antidumping and countervailing duty

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<sup>1</sup> See 19 U.S.C. § 1675(c)(5)(D); 63 Fed. Reg. 29372, 29374 (May 29, 1998).

<sup>2</sup> These producers are Mittal Steel USA ISG, Inc., Nucor Corp., ISPAT Inland, Inc., and United States Steel Corp.

orders on corrosion-resistant steel from Korea, the Commission received an adequate joint response from Dongbu Steel Co., Ltd., HYSCO, Pohang Coated Steel Co., and Union Steel Manufacturing Co. Ltd., Korean producers and exporters of corrosion-resistant steel.

Because the group and individual responses from both domestic interested parties and respondent interested parties were adequate in the reviews of the orders concerning corrosion-resistant steel from all subject countries (Australia, Canada, France, Germany, Japan, and Korea), the Commission determined to conduct full reviews in these proceedings.

**Cut-to-Length Carbon Steel Plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos., AA1921-197 (Second Review), 701-TA-319, 320, 325-328, 731-TA-573, 574, 576, 578, 582-587 (Second Review)**

With respect to the orders concerning cut-to-length carbon steel plate (“CTL plate”) from Taiwan, Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom, the Commission determined that the domestic interested party group response was adequate. The Commission received a consolidated response from four domestic producers that account for a significant percentage of domestic production of CTL plate.<sup>3</sup> The Commission found the individual response of each of the four domestic CTL plate producers, which contained company-specific data, adequate.

The Commission found that the respondent interested party group responses were adequate with respect to the orders on CTL plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, and the United Kingdom because respondents from each of these countries accounted for a significant share of the production of subject merchandise in their respective countries.

The Commission received an adequate joint response concerning the orders on CTL plate from Belgium filed by Duferco Clabecq S.A., a Belgian producer and exporter of CTL plate, and Duferco Steel, Inc., a U.S. importer. With respect to the reviews of the antidumping and countervailing duty orders on CTL plate from Brazil, the Commission received an adequate joint response filed by Usinas Siderurgicas de Minas Gerais SA and Companhia Siderurgica Paulista, each of which is a Brazilian producer and exporter of subject merchandise. An adequate individual response concerning the order on CTL plate from Finland was filed by RAUTARUUKKI OYJ, a Finnish producer and exporter of subject merchandise. An adequate joint response concerning the order on CTL plate from Germany was filed by AG der Dillinger Huttenwerke, Salzgitter AG Stahl und Technologie, and ThyssenKrupp Steel AG, each of which is a German producer and exporter of subject merchandise. With respect to the reviews of the antidumping and countervailing duty orders on CTL plate from Mexico, the Commission received an adequate individual response filed by Altos Hornos de Mexico S.A. de C.V., a Mexican producer and exporter of subject merchandise. An adequate joint response concerning the order on CTL plate from Poland was filed by Huta Stali Czestochowa Sp. z.o.o., a Polish producer and exporter of subject merchandise, and Duferco Steel Inc., a U.S. importer. Finally, with respect to the reviews of the antidumping and countervailing duty orders on CTL plate from the United Kingdom, the Commission received three individual adequate responses, the first filed by Corus Group plc., a British producer and exporter of subject merchandise, the second filed by Niagara LaSalle (UK) Limited, a British producer

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<sup>3</sup> These producers are Mittal Steel USA ISG Inc., Nucor Corp., Oregon Steel Mills, Inc., and IPSCO Inc.



and exporter of subject merchandise, and the third filed by UK Steel<sup>4</sup> on behalf of Spartan UK Ltd., and Celsa Steel UK Ltd., both British producers and exporters of the subject merchandise.

Because the group and individual responses from both domestic interested parties and respondent interested parties were adequate in the reviews of the orders concerning CTL plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, and the United Kingdom, the Commission determined to conduct full reviews in these proceedings.

The Commission did not receive a response from any respondent interested parties in the reviews concerning subject imports from Taiwan, Romania, Spain, and Sweden, and therefore determined that the respondent interested party group responses for these countries were not adequate. The Commission nevertheless voted to conduct full reviews concerning subject imports from Taiwan, Romania, Spain, and Sweden to promote administrative efficiency in light of the Commission's determination to conduct full reviews of the majority of orders in these grouped reviews. Moreover, changes in conditions of competition – such as modifications to the composition of the domestic industry – also supported conducting full reviews.

A record of the Commissioners' votes is available from the Office of the Secretary and on the Commission's website (<http://www.usitc.gov>).

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<sup>4</sup> UK Steel is a foreign trade association whose member companies include Spartan UK Ltd., Celsa Steel UK Ltd, Niagara LaSalle (UK) Limited, and Corus Group plc.



**APPENDIX B**  
**HEARING WITNESSES**



## **CALENDAR OF PUBLIC HEARING**

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

**Subject:** Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom (Corrosion-Resistant Steel)

**Inv. Nos.:** AA1921-197; 701-TA-319, 320, 325-327, 348, and 350; and 731-TA-573, 574, 576, 578, 582-587, 612, and 614-618 (Second Review)

**Date and Time:** October 17, 2006 - 9:30 a.m.

Sessions were held in connection with these reviews in the Main Hearing Room (room 101), 500 E Street, SW, Washington, D.C.

### **CONGRESSIONAL APPEARANCES:**

**The Honorable Arlen Specter, United State Senator, Commonwealth of Pennsylvania**

**The Honorable John D. Rockefeller, IV, United States Senator, State of West Virginia**

**The Honorable John P. Murtha, U.S. Representative, 12<sup>th</sup> District, Commonwealth of Pennsylvania**

**The Honorable Alan B. Mollohan, U.S. Representative, 1<sup>st</sup> District, State of West Virginia**

**The Honorable Peter J. Visclosky, U.S. Representative, 1<sup>st</sup> District, State of Indiana**

**The Honorable Joseph "Joe" Knollenberg, U.S. Representative, 9<sup>th</sup> District, State of Michigan**

**The Honorable Phil English, U.S. Representative, 3<sup>rd</sup> District, Commonwealth of Pennsylvania**

**The Honorable Mike Doyle, U.S. Representative, 14<sup>th</sup> District, Commonwealth of Pennsylvania**

**The Honorable Mike Rogers, U.S. Representative, 8<sup>th</sup> District, State of Michigan**

**CONGRESSIONAL APPEARANCES (continued):**

**The Honorable Henry E. Brown, Jr., U.S. Representative, 1<sup>st</sup> District, State of South Carolina**

**The Honorable G.K. Butterfield, U.S. Representative, 1<sup>st</sup> District, State of North Carolina**

**STATE GOVERNMENT APPEARANCES:**

**The Honorable Bill H. Stovall, III, Speaker of the House, State of Arkansas House of Representatives**

**The Honorable Walter H. Dalton, State Senator, 46<sup>th</sup> District, State of North Carolina**

**The Honorable Ed Clemente, State Representative, 14<sup>th</sup> District, State of Michigan, House of Representatives**

**The Honorable Chuck Blasdel, Speaker Pro Tempore, 1<sup>st</sup> House District, The Ohio House of Representatives**

**The Honorable Sandy Layman, Commissioner, Iron Range Resources, State of Minnesota**

**OPENING REMARKS:**

In Support of Continuation of Orders (**Terence P. Stewart,**  
Stewart and Stewart)

In Opposition to Continuation of Orders (**William Silverman,**  
Hunton & Williams LLP)

**In Support of the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders:**

Skadden, Arps, Slate, Meagher & Flom LLP  
Washington, D.C.  
on behalf of

United States Steel Corporation (“U.S. Steel”)  
AK Steel Corporation (“AK Steel”)

**John H. Goodish**, Chief Operating Officer and  
Executive Vice President, U.S. Steel

**Joseph R. Scherrbaum, Jr.**, Vice President, Sales,  
U.S. Steel

**Peter J. Alvarado**, General Manager, Automotive,  
U.S. Steel

**Michael N. Meyers**, Director, Industry Marketing,  
U.S. Steel

**Douglas W. Gant**, Vice President, Sales &  
Customer Service, AK Steel

**David Riker**, Principal, CRA International, Inc.

**Robert A. Korajczyk**, Principal, Chicago Partners, LLC

<b>Robert E. Lighthizer</b>	)	
<b>James C. Hecht</b>	)	
	)	– OF COUNSEL
<b>Stephen P. Vaughn</b>	)	
<b>Stephen J. Narkin</b>	)	

**In Support of the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

Stewart and Stewart  
Washington, D.C.  
on behalf of

Mittal Steel USA Inc. (“Mittal Steel USA”)  
United Steel, Paper and Forestry, Rubber,  
Manufacturing, Energy, Allied  
Industrial and Service Workers  
International Union, AFL-CIO-CLC (“USW”)

**Leo W. Gerard**, International President, USW

**Louis L. Schorsch**, CEO, Flat Products, Americas,  
Arcelor Mittal

**Roy Platz**, Director of Marketing, Sales and  
Marketing, Mittal Steel USA

**Elizabeth Drake**, Trade Consultant, Stewart and  
Stewart

<b>Terence P. Stewart</b>	)
<b>Patrick J. McDonough</b>	)– OF COUNSEL
<b>Sarah V. Stewart</b>	)

Wiley Rein & Fielding LLP  
Washington, D.C.  
on behalf of

Nucor Corporation (“Nucor”)  
Steel Dynamics, Inc. (“SDI”)

**Daniel R. DiMicco**, Chairman, President, and CEO,  
Nucor

**Rick Blume**, National Sales and Marketing  
Manager, Sheet Mill Group, Nucor



**In Support of the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

**John W. Nolan**, Vice President and Manager,  
Sales and Marketing, SDI

**John Bates, Sr.**, Chief Executive Officer and Owner,  
Heidtman Steel Products

**Peter Morici**, Professor of Economics, University  
of Maryland

**Alan H. Price** )  
 ) – OF COUNSEL  
**M. William Schisa** )

**In Opposition to the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders:**

Hogan & Hartson LLP  
Washington, D.C.  
on behalf of

DaimlerChrysler Corporation  
Mercedes-Benz U.S. International, Inc.  
Ford Motor Company  
General Motors Corporation  
Honda of America Mfg., Inc.  
Honda Trading America Corporation  
Nissan North America, Inc.  
Toyota Motor North America, Inc.  
(collectively “Auto Producers”)

**Allan M. Huss**, Senior Counsel, Antitrust/Regulatory  
Affairs, DaimlerChrysler Corporation

**In Opposition to the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

**Daniel K. Kelly**, Supplier Quality Manager,  
DaimlerChrysler Corporation

**Susan DeSandre**, Director of Body & Chassis  
Purchasing North America, Ford Motor  
Company

**Lisa King**, Manager, Steel, Paints, Sealers Purchasing,  
Ford Motor Company

**Richard Cover**, Commodity Manager, Steel, General  
Motors Corporation

**G. Mustafa Mohatarem**, Chief Economist, General  
Motors Corporation

**Larry Jutte**, Senior Vice President and General  
Manager, Purchasing, Honda of America Mfg. Inc.

**Randall P. Luther**, Assistant Manager, North American  
Purchasing, Honda of America Mfg. Inc.

**Cal Vickers**, Senior Director, Purchasing, Nissan North  
America

**Johnny Brown**, Buyer, Purchasing, Production Materials,  
Nissan North America

**Chris Nielsen**, General Manager, Purchasing, Toyota  
Motor Engineering and Manufacturing North  
America, Inc.

**Steve Cochran**, Specialist, Purchasing, Vehicle Parts  
& Materials: Electrical & Body, Toyota Motor  
Engineering and Manufacturing North America, Inc.

**Mark S. McConnell** )  
**Lewis E. Leibowitz,** ) – OF COUNSEL  
**T. Clark Weymouth** )

**In Opposition to the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

Hunton & Williams LLP  
Washington, D.C.  
on behalf of

Dofasco Inc.  
Sorevco Inc.

**Bradley L. Davey**, General Manager, Marketing,  
Dofasco Inc.

**W. Donald Kenny**, Director, Automotive Business,  
Dofasco Inc.

**Christy C. Towers**, Corporate Account Manager, Ford,  
Dofasco Inc.

**Henry T. Wegiel**, Manager, Government and Trade  
Relations, Dofasco Inc.

**Bruce Malashevich**, President, Economic Consulting  
Services, Inc.

**William Silverman** )  
**Douglas J. Heffner** ) – OF COUNSEL  
**Richard P. Ferrin** )

Kaye Scholer LLP  
Washington, D.C.  
on behalf of

Dongbu Steel Co., Ltd.  
Hyundai HYSCO  
Pohang Coated Steel Co.  
Pohang Iron and Steel Co., Ltd.  
Union Manufacturing Co., Ltd.  
POSCO America Corp.

**Steven Kim**, Manager, Union Steel Manufacturing  
Co., Ltd.

**In Opposition to the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

**Se-Yong Chun**, Manager, Marketing, POSCO  
America Corp.

**Donald B. Cameron** )  
 ) – OF COUNSEL  
**Julie C. Mendoza** )

Gibson, Dunn & Crutcher LLP  
Washington, D.C.  
on behalf of

JFE Steel Corp.  
Kobe Steel, Ltd.  
Sumitomo Metal Industries, Ltd.  
Nippon Steel Corp.  
Nisshin Steel Co., Ltd.

**Yoichi Furuta**, Executive Vice President and  
General Manager, Nippon Steel U.S.A., Inc.

**Heiki Miki**, Vice President, Marketing, JFE  
Steel America, Inc.

**J. Christopher Wood** ) – OF COUNSEL

Sharretts, Paley, Carter & Blauvelt, P.C.  
Washington, D.C.  
on behalf of

ThyssenKrupp Steel AG  
Saltzgitter AG Stahl und Technologie  
ThyssenKrupp Steel N.A. Inc.  
ThyssenKrupp Steel Services  
ThyssenKrupp Materials N.A. Inc.

**Stefan Gruenhage**, Senior Manager, Corporate  
Planning/Systems Order Management,  
ThyssenKrupp Steel AG

**In Opposition to the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

**Johan Wesslen**, Senior Manager, Customs &  
Trade Affairs, ThyssenKrupp Steel N.A. Inc.

**Gail T. Cumins** )  
**Beatrice A. Brickell** ) – OF COUNSEL  
**Sara Nordin** )

Wilmer Cutler Pickering Hale and Dorr LLP  
Washington, D.C.  
on behalf of

Australian Respondents

**Leonard Shambon** ) – OF COUNSEL

Akin Gump Strauss Hauer & Feld LLP  
Washington, D.C.  
on behalf of

TCC Steel

**Henry Chang**, Managing Director, Marketing Division,  
TCC Steel

**Lisa W. Ross** ) – OF COUNSEL

**In Opposition to the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

Shearman & Sterling LLP  
Washington, D.C.  
on behalf of

Sollac Atlantique  
Sollac Lorraine  
Arcelor FCS Commercial  
Arcelor International America, LLC

<b>Robert S. LaRussa</b>	)	
	)	– OF COUNSEL
<b>Ryan A.T. Trapani</b>	)	

**REBUTTAL/CLOSING REMARKS:**

In Support of Continuation of Orders (**James C. Hecht**, Skadden, Arps, Slate,  
Meagher & Flom LLP)

In Opposition to Continuation of Orders (**Mark S. McConnell**, Hogan & Hartson LLP)

## **CALENDAR OF PUBLIC HEARING**

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

**Subject:** Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom (Cut-to-Length Plate)

**Inv. Nos.:** AA1921-197; 701-TA-319, 320, 325-327, 348, and 350; and 731-TA-573, 574, 576, 578, 582-587, 612, and 614-618 (Second Review)

**Date and Time:** October 19, 2006 - 9:30 a.m.

Sessions were held in connection with these reviews in the Main Hearing Room (room 101), 500 E Street, SW, Washington, D.C.

### **CONGRESSIONAL APPEARANCES:**

**The Honorable Peter J. Visclosky, U.S. Representative, 1<sup>st</sup> District, State of Indiana**

**The Honorable Jo Bonner, U.S. Representative, 1<sup>st</sup> District, State of Alabama**

### **STATE GOVERNMENT APPEARANCE:**

**Office of the Governor of Oregon  
Salem, OR**

**Sarah Bittleman, Director, Washington, D.C. Office of the Governor of Oregon, on behalf of the Honorable Theodore Kulongoski, Governor of Oregon**

### **EMBASSY APPEARANCES:**

**The Embassy of Mexico  
Washington, D.C.**

**Kenneth Smith Ramos, Director General for International Trade Negotiations,  
Undersecretary for International Trade Negotiations, Secretary of the Economy**

**Adriana Diaz Ortiz, Director of International Assistance for Mexican Exporters, Unit for  
International Commercial Practices, Secretary of the Economy**

**OPENING REMARKS:**

In Support of Continuation of Orders (**Roger B. Schagrin**,  
Schagrin Associates)

In Opposition to Continuation of Orders (**Kenneth J. Pierce**,  
Willkie Farr & Gallagher LLP)

**In Support of the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders:**

Stewart & Stewart  
Washington, D.C.  
on behalf of

Mittal Steel USA Inc. (“Mittal Steel USA”)  
United Steel, Paper and Forestry, Rubber,  
Manufacturing, Energy, Allied  
Industrial and Service Workers  
International Union, AFL-CIO-CLC (“USW”)

**Thomas Conway**, International Vice President  
(Administration), USW

**Robert W. Insetta**, Director, Plate Products, Sales  
and Markets, Mittal Steel USA

**Lawrence F. Fabina**, Manager, Continuous  
Improvement, Burns Harbor Plant, Mittal  
Steel USA

**Matthew Habenicht**, Plate Commercial Product  
Manager, Mittal Steel USA

**Terence P. Stewart** )  
**Sarah V. Stewart** ) – OF COUNSEL  
**Elizabeth A. Argenti** )



**In Support of the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

Wiley Rein & Fielding LLP  
Washington, D.C.  
on behalf of

Nucor Corporation (“Nucor”)

**Patrick J. McFadden**, National Sales and Marketing  
Manager, Plate Products, Nucor

**Frank Ruane**, Director, Corporate Purchasing,  
Olympic Steel

**David A. Riker**, Principal, CRA International, Inc.

**Alan H. Price** )  
 ) – OF COUNSEL  
**Timothy C. Brightbill** )

Schagrin Associates  
Washington, D.C.  
on behalf of

IPSCO Steel Inc.  
Oregon Steel Mills

**John Tulloch**, Senior Vice President and Chief  
Commercial Officer, IPSCO Steel Inc.

**Glenn Gilmore**, Trade Supervisor, IPSCO Steel Inc.

**Scott Montross**, Vice President, Sales and Marketing,  
Oregon Steel Mills

**Kent Thies**, National Marketing Director, Oregon  
Steel Mills

**Tom Ballou**, Director, Plate and Flat-Rolled Products,  
O’Neal Steel

**Robert Heltzel, Jr.**, President, Kenilworth Steel

**In Support of the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

**Robert Scott**, Economist, Schagrin Associates and  
the Economic Policy Institute

**Roger B. Schagrin** ) – OF COUNSEL

**In Opposition to the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders:**

deKieffer & Horgan  
Washington, D.C.  
on behalf of

AG der Dillinger Huttenwerke  
Salzgitter AG Stahl und Technologie  
ThyssenKrupp Steel AG

**Marc E. Montalbine** ) – OF COUNSEL

Willkie Farr & Gallagher LLP  
Washington, D.C.  
on behalf of

Companhia Siderurgica Paulista (“COSIPA”)  
Usinas Siderurgicas de Minas Gerais SA (“USIMINAS”)

**Christopher Dunn** ) – OF COUNSEL

Willkie Farr & Gallagher LLP  
Washington, D.C.  
on behalf of

Altos Hornos de Mexico S.A. de C.V. (“AHMSA”)

**Juan Castillo Ramirez**, Director, Government  
Relations, AHMSA

**Luis A. Landois Garza**, Director, Sales, AHMSA

**In Opposition to the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

**Federico J. Reyes Villarreal**, Manager, Corporate  
Finance, AHMSA

**Luis Guillermo Valdes Portales**, Assistant Manager,  
Corporate, AHMSA

**Thomas J. Prusa**, Professor of Economics,  
Rutgers University

**Bruce Malashevich**, President, Economic  
Consulting Services, LLC

**Jim Dougan**, Economist, Economic Consulting  
Services, LLC

**Mark David Davis**, Counsel, Davis & Leiman P.C.

**Alexander W. Sierck**, Counsel, Cameron &  
Hornbostel, LLP

**Kenneth J. Pierce** )  
**Matthew P. McCullough** ) – OF COUNSEL  
**David T. Hardin** )

Steptoe & Johnson LLP  
Washington, D.C.  
on behalf of

Corus Group plc

**Richard White**, General Manager, Sales and Marketing,  
Sections & Plates, Corus U.K. Ltd.

**Paul Parkins**, Sales Manager, Energy International,  
Corus U.K. Ltd.

**Peter J. Joyce**, Sales Manager, Americas, Corus  
America Inc.

**In Opposition to the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

**Patrick J. Boyle**, President of the Houston Office,  
Murray International Metals, a division of  
Edgen Carbon Products Group LLC

**Bruce Malashevich**, President, Economic Consulting  
Services LLC

**Jim Dougan**, Economist, Economic Consulting  
Services LLC

**Richard O. Cunningham**     )  
**Gregory S. McCue**         )  
  ) – OF COUNSEL  
**William G. Isasi**             )  
**Michael Pass**                )

Sidley Austin LLP  
Washington, D.C.  
on behalf of

Caterpillar Inc. (“Caterpillar”)

**Dennis Kunka**, Steel Plate Commodity Manager,  
Global Purchasing, Caterpillar

**Johna Purcell**, Corporate Attorney, Caterpillar

**Cheryl D. Ivey**, Senior Legal Assistant, Caterpillar

**Maria DiGiulian**     ) – OF COUNSEL

**In Opposition to the Continuation of  
Countervailing Duty and  
Antidumping Duty Orders (continued):**

White & Case LLP  
Washington, D.C.  
on behalf of

Duferco Clabecq S.A.  
Duferco Steel, Inc.

**Jay C. Campbell**       )  
  ) – OF COUNSEL  
**Emily Lawson**        )

**REBUTTAL/CLOSING REMARKS:**

In Support of Continuation of Orders (**Timothy C. Brightbill**,  
Wiley Rein & Fielding LLP; **Roger B. Schagrin**, Schagrin  
Associates; and **David A. Riker**, CRA International, Inc.)  
In Opposition to Continuation of Orders (**Richard O. Cunningham**,  
Steptoe & Johnson LLP)



**APPENDIX C**  
**SUMMARY DATA**





Table C-1  
CTL plate: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)																
Item	Reported data						Period changes									Jan.-June 2005-06
	2000	2001	2002	2003	2004	2005	January-June 2005 2006		2000-05	2000-01	2001-02	2002-03	2003-04	2004-05		
U.S. consumption quantity:																
Amount	6,814,613	6,234,474	6,539,570	6,354,810	6,978,552	7,281,971	3,646,154	4,434,283	6.9	-8.5	4.9	-2.8	9.8	4.3	21.6	
Producers' share (1)	89.7	89.7	91.6	95.1	92.3	90.9	90.6	87.2	1.1	-0.0	1.8	3.5	-2.8	-1.4	-3.4	
Importers' share (1):																
Belgium	0.2	0.3	0.2	0.1	0.1	0.1	0.1	0.2	-0.1	0.0	-0.1	-0.1	0.0	-0.0	0.1	
Brazil	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-0.0	0.0	-0.0	-0.0	0.0	0.0	-0.0	
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	0.0	
Germany	0.1	0.0	0.6	0.0	0.3	0.0	0.0	0.4	-0.1	-0.1	0.6	-0.6	0.3	-0.3	0.3	
Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	-0.0	
Poland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0	-0.0	
Romania	0.0	0.1	0.7	1.1	1.6	0.7	0.1	0.0	0.7	0.1	0.6	0.4	0.5	-0.9	-0.1	
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
Sweden	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.0	-0.0	0.0	-0.0	-0.0	
Taiwan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
United Kingdom	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0	0.0	
Subtotal	0.4	0.4	1.5	1.2	2.1	0.9	0.3	0.5	0.5	0.0	1.1	-0.3	0.9	-1.2	0.3	
All other sources	9.8	9.8	6.9	3.7	5.6	8.2	9.1	12.3	-1.6	-0.0	-2.9	-3.2	1.9	2.6	3.2	
Total imports	10.3	10.3	8.4	4.9	7.7	9.1	9.4	12.8	-1.1	0.0	-1.8	-3.5	2.8	1.4	3.4	
U.S. consumption value:																
Amount	2,454,787	2,101,040	2,229,060	2,268,951	4,347,057	5,131,625	2,688,288	3,091,851	109.0	-14.4	6.1	1.8	91.6	18.0	15.0	
Producers' share (1)	91.3	90.9	92.0	95.4	93.1	91.3	91.2	88.8	-0.0	-0.4	1.1	3.4	-2.3	-1.8	-2.5	
Importers' share (1):																
Belgium	0.3	0.3	0.2	0.1	0.2	0.2	0.1	0.2	-0.1	0.0	-0.1	-0.1	0.0	0.0	0.1	
Brazil	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.0	-0.0	0.0	-0.1	-0.0	0.0	0.1	-0.1	
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	0.0	
Germany	0.2	0.0	0.8	0.1	0.2	0.0	0.0	0.5	-0.1	-0.2	0.8	-0.7	0.2	-0.2	0.5	
Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	-0.0	
Poland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0	-0.0	
Romania	0.0	0.1	0.6	0.9	1.3	0.6	0.1	0.0	0.6	0.1	0.5	0.3	0.4	-0.7	-0.1	
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
Sweden	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.0	-0.0	0.0	-0.0	-0.0	
Taiwan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
United Kingdom	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0	0.0	
Subtotal	0.5	0.5	1.6	1.1	1.8	0.9	0.3	0.7	0.4	0.0	1.1	-0.5	0.7	-0.9	0.4	
All other sources	8.1	8.6	6.4	3.5	5.1	7.8	8.5	10.5	-0.3	0.4	-2.1	-3.0	1.6	2.7	2.1	
Total imports	8.7	9.1	8.0	4.6	6.9	8.7	8.8	11.2	0.0	0.4	-1.1	-3.4	2.3	1.8	2.5	
U.S. imports from:																
Belgium:																
Quantity	15,614	16,575	11,615	6,226	10,271	10,388	2,767	6,853	-33.5	6.1	-29.9	-46.4	65.0	1.1	147.6	
Value	6,458	6,511	4,951	3,086	7,023	8,923	1,976	5,904	38.2	0.8	-24.0	-37.7	127.6	27.0	198.7	
Unit value	\$414	\$393	\$426	\$496	\$684	\$859	\$714	\$862	107.7	-5.0	8.5	16.3	37.9	25.6	20.6	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Brazil:																
Quantity	3,243	2,978	1,477	0	18	2,460	1,961	420	-24.1	-8.2	-50.4	-100.0	(2)	13,360.3	-78.6	
Value	1,546	1,386	288	0	7	3,138	2,714	323	103.0	-10.3	-79.2	-100.0	(2)	46,865.1	-88.1	
Unit value	\$477	\$465	\$195	(2)	\$366	\$1,276	\$1,384	\$769	167.6	-2.4	-58.0	(2)	(2)	248.9	-44.4	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Finland:																
Quantity	0	19	0	0	1,290	0	0	0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)	
Value	0	10	0	0	1,112	0	0	0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)	
Unit value	(2)	\$537	(2)	(2)	\$862	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Germany:																
Quantity	8,783	129	40,536	2,647	23,413	2,078	1,491	15,671	-76.3	-98.5	31,358.2	-93.5	784.6	-91.1	950.7	
Value	4,030	92	17,028	1,688	10,641	1,440	980	15,574	-64.3	-97.7	18,505.1	-90.1	530.6	-86.5	1,489.4	
Unit value	\$459	\$710	\$420	\$638	\$454	\$693	\$657	\$994	51.0	54.8	-40.9	51.8	-28.7	52.5	51.3	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Mexico:																
Quantity	153	271	273	308	1,083	440	379	168	188.1	77.5	0.8	12.8	251.7	-59.4	-55.5	
Value	65	141	81	123	570	271	244	79	314.1	116.1	-42.4	51.7	362.1	-52.5	-67.5	
Unit value	\$428	\$521	\$298	\$400	\$526	\$615	\$645	\$472	43.8	21.7	-42.9	34.5	31.4	16.9	-26.9	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Poland:																
Quantity	3	386	0	0	45	61	61	0	1,774.3	11,718.8	-100.0	(2)	(2)	36.7	-100.0	
Value	4	95	0	0	23	36	36	0	778.4	2,199.4	-100.0	(2)	(2)	61.2	-100.0	
Unit value	\$1,270	\$247	(2)	(2)	\$505	\$595	\$595	(2)	-53.1	-80.5	(2)	(2)	(2)	17.9	(2)	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Romania:																
Quantity	6	5,981	44,339	69,552	109,969	49,813	3,014	0	803,561.0	96,393.7	641.3	56.9	58.1	-54.7	-100.0	
Value	6	1,433	12,627	20,706	58,584	31,292	2,084	0	567,087.1	25,871.5	781.2	64.0	182.9	-46.6	-100.0	
Unit value	\$890	\$240	\$285	\$298	\$533	\$628	\$691	(2)	-29.4	-73.1	18.9	4.5	78.9	17.9	(2)	
Ending inventory quantity	0	0	0	0	***	***	0	0	(2)	(2)	(2)	(2)	(2)	***	(2)	
Spain:																
Quantity	5	0	6	0	0	0	0	0	-100.0	-100.0	(2)	-100.0	(2)	(2)	(2)	
Value	2	0	2	0	0	0	0	0	-100.0	-100.0	(2)	-100.0	(2)	(2)	(2)	
Unit value	\$444	(2)	\$358	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Sweden:																
Quantity	354	1,312	198	0	280	182	182	50	-48.7	270.9	-84.9	-100.0	(2)	-35.1	-72.4	
Value	198	1,095	192	0	131	108	108	33	-45.4	453.6	-82.4	-100.0	(2)	-17.9	-69.3	
Unit value	\$559	\$835	\$970	(2)	\$470	\$595	\$595	\$663	6.4	49.3	16.3	(2)	(2)	26.6	11.5	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Taiwan:																
Quantity	75	66	226	0	0	0	0	0	-100.0	-11.1	240.8	-100.0	(2)	(2)	(2)	
Value	26	20	270	0	0	0	0	0	-100.0	-22.2	1216.5	-100.0	(2)	(2)	(2)	
Unit value	\$353	\$309	\$1,194	(2)	(2)	(2)	(2)	(2)	(2)	-12.5	286.4	(2)	(2)	(2)	(2)	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
United Kingdom:																
Quantity	847	125	79	23	8	17	0	19	-97.9	-85.3	-37.1	-71.0	-64.5	115.2	(2)	
Value	246	88	49	7	3	6	0	6	-97.6	-64.1	-44.6	-85.8	-56.5	97.0	(2)	
Unit value	\$291	\$708	\$624	\$305	\$374	\$342	(2)	\$338	17.8	143.6	-11.9	-51.0	22.5	-8.5	(2)	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Subtotal:																
Quantity	29,083	27,842	98,749	78,755	146,377	65,439	9,856	23,181	125.0	-4.3	254.7	-20.2	85.9	-55.3	135.2	
Value	12,581	10,873	35,489	25,610	78,094	45,214	8,143	21,920	259.4	-13.6	226.4	-27.8	204.9	-42.1	169.2	
Unit value	\$433	\$391	\$359	\$325	\$534	\$691	\$826	\$946	59.7	-9.7	-8.0	-9.5	64.1	29.5	14.4	
Ending inventory quantity	0	0	0	0	***	***	0	0	(2)	(2)	(2)	(2)	(2)	***	(2)	

**Table C-1--Continued**  
**CTL plate: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006**

	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)														
	Reported data						Period changes								
Item	2000	2001	2002	2003	2004	2005	January-June		2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June 2005-06
							2005	2006							
U.S. imports from:															
All other sources:															
Quantity .....	669,666	611,424	452,321	234,670	390,123	598,444	331,866	545,050	-10.6	-8.7	-26.0	-48.1	66.2	53.4	64.2
Value .....	199,956	180,362	143,493	78,892	221,897	400,852	227,169	325,305	100.5	-9.8	-20.4	-45.0	181.3	80.6	43.2
Unit value .....	\$299	\$295	\$317	\$336	\$569	\$670	\$685	\$597	124.3	-1.2	7.5	6.0	69.2	17.8	-12.8
Ending inventory quantity .....	3,605	2,257	1,557	905	***	***	2,663	2,758	***	-37.4	-31.0	-41.9	***	***	3.6
All sources:															
Quantity .....	698,749	639,266	551,069	313,425	536,500	663,883	341,722	568,231	-5.0	-8.5	-13.8	-43.1	71.2	23.7	66.3
Value .....	212,537	191,235	178,982	104,501	299,990	446,065	235,312	347,225	109.9	-10.0	-6.4	-41.6	187.1	48.7	47.6
Unit value .....	\$304	\$299	\$325	\$333	\$559	\$672	\$689	\$611	120.9	-1.7	8.6	2.7	67.7	20.2	-11.3
Ending inventory quantity .....	3,605	2,257	1,557	905	20,148	7,756	2,663	2,758	115.1	-37.4	-31.0	-41.9	2,126.3	-61.5	3.6
U.S. producers:															
Average capacity quantity .....	10,086,195	10,382,440	10,600,470	11,138,353	10,629,073	10,793,425	5,370,412	5,524,993	7.0	2.9	2.1	5.1	-4.6	1.5	2.9
Production quantity .....	6,322,806	5,676,017	6,089,710	6,286,468	6,883,546	7,119,199	3,453,719	4,184,481	12.6	-10.2	7.3	3.2	9.5	3.4	21.2
Capacity utilization (1) .....	62.7	54.7	57.4	56.4	64.7	65.7	64.1	75.5	3.0	-8.0	2.8	-1.0	8.3	1.0	11.5
U.S. shipments:															
Quantity .....	6,115,864	5,595,208	5,988,501	6,041,385	6,442,052	6,618,088	3,304,432	3,866,052	8.2	-8.5	7.0	0.9	6.6	2.7	17.0
Value .....	2,242,250	1,909,806	2,050,077	2,164,450	4,047,066	4,685,560	2,452,976	2,744,626	109.0	-14.8	7.3	5.6	87.0	15.8	11.9
Unit value .....	\$367	\$341	\$342	\$358	\$628	\$708	\$742	\$710	93.1	-6.9	0.3	4.7	75.3	12.7	-4.4
Export shipments:															
Quantity .....	233,283	146,677	197,405	306,342	425,436	435,382	154,323	298,047	86.6	-37.1	34.6	55.2	38.9	2.3	93.1
Value .....	86,689	49,835	65,408	107,006	279,701	314,340	115,086	210,273	262.6	-42.5	31.2	63.6	161.4	12.4	82.7
Unit value .....	\$372	\$340	\$331	\$349	\$657	\$722	\$746	\$706	94.3	-8.6	-2.5	5.4	88.2	9.8	-5.4
Ending inventory quantity .....	698,145	609,687	564,800	573,515	546,697	526,917	481,010	521,320	-24.5	-12.7	-7.4	1.5	-4.7	-3.6	8.4
Inventories/total shipments (1) .....	11.0	10.6	9.1	9.0	8.0	7.5	7.0	6.3	-3.5	-0.4	-1.5	-0.1	-1.1	-0.5	-0.7
Production workers .....	5,547	4,869	4,477	4,317	3,973	3,928	3,802	4,212	-29.2	-12.2	-8.1	-3.6	-8.0	-1.1	10.8
Hours worked (1,000s) .....	12,515	10,928	10,241	9,762	9,191	9,192	4,702	5,402	-26.6	-12.7	-6.3	-4.7	-5.9	0.0	14.9
Wages paid (\$1,000s) .....	268,471	233,945	218,022	213,011	201,105	208,286	103,535	124,368	-22.4	-12.9	-6.8	-2.3	-5.6	3.6	20.1
Hourly wages .....	\$21.45	\$21.41	\$21.29	\$21.82	\$21.88	\$22.66	\$22.02	\$23.02	5.6	-0.2	-0.5	2.5	0.3	3.6	4.6
Productivity (tons/1,000 hours) .....	456.6	469.8	536.6	581.8	673.6	700.8	658.6	708.1	53.5	2.9	14.2	8.4	15.8	4.0	7.5
Unit labor costs .....	\$46.98	\$45.57	\$39.68	\$37.51	\$32.48	\$32.34	\$33.43	\$32.52	-31.2	-3.0	-12.9	-5.5	-13.4	-0.5	-2.7
Net sales:															
Quantity .....	4,830,187	4,367,368	4,745,921	5,297,394	5,638,486	5,672,541	2,802,305	3,379,555	17.4	-9.6	8.7	11.6	6.4	0.6	20.6
Value .....	1,758,271	1,477,637	1,609,886	1,915,063	3,530,933	4,070,019	2,119,953	2,437,411	131.5	-16.0	9.0	19.0	84.4	15.3	15.0
Unit value .....	\$364	\$338	\$339	\$362	\$626	\$717	\$757	\$721	97.1	-7.1	0.3	6.6	73.2	14.6	-4.7
Cost of goods sold (COGS) .....	1,800,011	1,572,475	1,628,547	1,908,344	2,692,538	2,967,611	1,517,442	1,769,847	64.9	-12.6	3.6	17.2	41.1	10.2	16.6
Gross profit or (loss) .....	(41,740)	(94,838)	(18,661)	6,719	838,395	1,102,408	602,511	667,564	(3)	-127.2	80.3	(3)	12,378.0	31.5	10.8
SG&A expenses .....	111,600	105,252	96,529	137,155	104,222	120,100	56,963	69,429	7.6	-5.7	-8.3	42.1	-24.0	15.2	21.9
Operating income or (loss) .....	(153,340)	(200,090)	(115,190)	(130,436)	734,173	982,308	545,548	598,136	(3)	-30.5	42.4	-13.2	(3)	33.8	9.6
Capital expenditures .....	***	***	38,505	20,630	23,063	86,056	20,612	43,030	***	***	***	-46.4	11.8	273.1	108.8
Unit COGS .....	\$373	\$360	\$343	\$360	\$478	\$523	\$541	\$524	40.4	-3.4	-4.7	5.0	32.6	9.6	-3.3
Unit SG&A expenses .....	\$23	\$24	\$20	\$26	\$18	\$21	\$20	\$21	-8.4	4.3	-15.6	27.3	-28.6	14.5	1.1
Unit operating income or (loss) .....	(\$32)	(\$46)	(\$24)	(\$25)	\$130	\$173	\$195	\$177	(3)	-44.3	47.0	-1.4	(3)	33.0	-9.1
COGS/sales (1) .....	102.4	106.4	101.2	99.6	76.3	72.9	71.6	72.6	-29.5	4.0	-5.3	-1.5	-23.4	-3.3	1.0
Operating income or (loss)/sales (1) .....	(8.7)	(13.5)	(7.2)	(6.8)	20.8	24.1	25.7	24.5	32.9	-4.8	6.4	0.3	27.6	3.3	-1.2

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

**Table C-1a**  
**CTL plate: Summary data concerning U.S. mills, 2000-05, January-June 2005, and January-June 2006**

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)														
	Reported data						Period changes								
	2000	2001	2002	2003	2004	2005	January-June		2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June 2005-06
							2005	2006							
U.S. mills':															
Average capacity quantity . . . .	6,774,534	7,060,778	7,345,648	7,655,505	6,965,258	7,010,214	3,486,757	3,614,334	3.5	4.2	4.0	4.2	-9.0	0.6	3.7
Production quantity . . . . .	4,773,196	4,258,879	4,659,396	4,792,977	5,223,946	5,303,735	2,579,213	3,164,204	11.1	-10.8	9.4	2.9	9.0	1.5	22.7
Capacity utilization (1) . . . . .	70.5	60.3	63.4	62.6	75.0	75.6	74.0	87.5	5.2	-10.2	3.1	-0.8	12.4	0.6	13.6
U.S. shipments:															
Quantity . . . . .	4,523,603	4,116,122	4,525,293	4,553,612	4,802,967	4,835,809	2,439,606	2,881,544	6.9	-9.0	9.9	0.6	5.5	0.7	18.1
Value . . . . .	1,650,282	1,393,840	1,518,214	1,613,308	2,957,378	3,488,723	1,855,163	2,080,370	111.4	-15.5	8.9	6.3	83.3	18.0	12.1
Unit value . . . . .	\$365	\$339	\$335	\$354	\$616	\$721	\$760	\$722	97.8	-7.2	-0.9	5.6	73.8	17.2	-5.1
Export shipments:															
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity . . . .	390,589	345,891	283,241	283,975	253,668	287,549	239,469	270,957	-26.4	-11.4	-18.1	0.3	-10.7	13.4	13.1
Inventories/total shipments (1) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers . . . . .	4,775	4,141	3,759	3,547	3,148	3,054	2,930	3,286	-36.0	-13.3	-9.2	-5.6	-11.2	-3.0	12.2
Hours worked (1,000s) . . . . .	10,864	9,415	8,729	8,245	7,520	7,364	3,806	4,396	-32.2	-13.3	-7.3	-5.5	-8.8	-2.1	15.5
Wages paid (\$1,000s) . . . . .	243,504	211,192	194,416	188,440	173,295	177,086	88,387	106,928	-27.3	-13.3	-7.9	-3.1	-8.0	2.2	21.0
Hourly wages . . . . .	\$22.41	\$22.43	\$22.27	\$22.86	\$23.04	\$24.05	\$23.22	\$24.33	7.3	0.1	-0.7	2.6	0.8	4.4	4.7
Productivity (tons/1,000 hours) . .	437.9	451.2	532.9	580.9	693.7	719.8	677.7	719.8	64.4	3.1	18.1	9.0	19.4	3.8	6.2
Unit labor costs . . . . .	\$51.19	\$49.71	\$41.79	\$39.34	\$33.22	\$33.41	\$34.27	\$33.79	-34.7	-2.9	-15.9	-5.9	-15.6	0.6	-1.4
Net sales:															
Quantity . . . . .	4,452,976	4,020,355	4,438,109	4,760,308	5,034,023	4,944,371	2,461,385	2,955,954	11.0	-9.7	10.4	7.3	5.7	-1.8	20.1
Value . . . . .	1,635,844	1,374,725	1,498,332	1,680,868	3,089,599	3,547,505	1,857,218	2,128,474	116.9	-16.0	9.0	12.2	83.8	14.8	14.6
Unit value . . . . .	\$367	\$342	\$338	\$353	\$614	\$717	\$755	\$720	95.3	-6.9	-1.3	4.6	73.8	16.9	-4.6
Cost of goods sold (COGS) . . . .	1,683,451	1,479,179	1,524,786	1,701,983	2,307,283	2,488,925	1,270,233	1,490,106	47.8	-12.1	3.1	11.6	35.6	7.9	17.3
Gross profit or (loss) . . . . .	(47,607)	(104,454)	(26,454)	(21,115)	782,316	1,058,580	586,985	638,368	(2)	-119.4	74.7	20.2	(2)	35.3	8.8
SG&A expenses . . . . .	108,073	101,438	92,150	126,779	91,553	106,366	50,986	61,072	-1.6	-6.1	-9.2	37.6	-27.8	16.2	19.8
Operating income or (loss) . . . .	(155,680)	(205,892)	(118,604)	(147,894)	690,763	952,214	535,999	577,297	(2)	-32.3	42.4	-24.7	(2)	37.8	7.7
Capital expenditures . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS . . . . .	\$378	\$368	\$344	\$358	\$458	\$503	\$516	\$504	33.2	-2.7	-6.6	4.1	28.2	9.8	-2.3
Unit SG&A expenses . . . . .	\$24	\$25	\$21	\$27	\$18	\$22	\$21	\$21	-11.4	4.0	-17.7	28.3	-31.7	18.3	-0.3
Unit operating income or (loss) . .	(\$35)	(\$51)	(\$27)	(\$31)	\$137	\$193	\$218	\$195	(2)	-46.5	47.8	-16.3	(2)	40.3	-10.3
COGS/sales (1) . . . . .	102.9	107.6	101.8	101.3	74.7	70.2	68.4	70.0	-32.8	4.7	-5.8	-0.5	-26.6	-4.5	1.6
Operating income or (loss)/ sales (1) . . . . .	(9.5)	(15.0)	(7.9)	(8.8)	22.4	26.8	28.9	27.1	36.4	-5.5	7.1	-0.9	31.2	4.5	-1.7

(1) "Reported data" are in percent and "period changes" are in percentage points.  
(2) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown.  
Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires.

Table C-1b

CTL plate: Summary data concerning U.S. processors, 2000-05, January-June 2005, and January-June 2006

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)															
Item	Reported data						January-June		Period changes						
	2000	2001	2002	2003	2004	2005	2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June 2005-06
U.S. processors:															
Average capacity quantity . . . .	3,311,661	3,321,662	3,254,822	3,482,848	3,663,815	3,783,211	1,883,655	1,910,659	14.2	0.3	-2.0	7.0	5.2	3.3	1.4
Production quantity . . . . .	1,549,610	1,417,138	1,430,314	1,493,491	1,659,600	1,815,464	874,506	1,020,277	17.2	-8.5	0.9	4.4	11.1	9.4	16.7
Capacity utilization (1) . . . . .	46.8	42.7	43.9	42.9	45.3	47.4	45.8	52.9	0.6	-4.1	1.3	-1.1	2.4	2.1	7.1
U.S. shipments:															
Quantity . . . . .	1,592,261	1,479,086	1,463,208	1,487,773	1,639,085	1,782,279	864,826	984,508	11.9	-7.1	-1.1	1.7	10.2	8.7	13.8
Value . . . . .	591,968	515,966	531,863	551,142	1,089,688	1,196,837	597,813	664,257	102.2	-12.8	3.1	3.6	97.7	9.8	11.1
Unit value . . . . .	\$372	\$349	\$363	\$370	\$665	\$672	\$691	\$675	80.6	-6.2	4.2	1.9	79.5	1.0	-2.4
Export shipments:															
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity . . . .	307,556	263,796	281,559	289,540	293,029	239,368	241,541	250,363	-22.2	-14.2	6.7	2.8	1.2	-18.3	3.7
Inventories/total shipments (1) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers . . . . .	772	728	718	770	825	874	872	926	13.2	-5.7	-1.4	7.2	7.1	5.9	6.2
Hours worked (1,000s) . . . . .	1,651	1,513	1,512	1,517	1,671	1,828	896	1,006	10.7	-8.4	-0.1	0.4	10.1	9.4	12.3
Wages paid (\$1,000s) . . . . .	24,967	22,753	23,606	24,571	27,810	31,200	15,148	17,440	25.0	-8.9	3.8	4.1	13.2	12.2	15.1
Hourly wages . . . . .	\$15.12	\$15.04	\$15.62	\$16.19	\$16.64	\$17.07	\$16.91	\$17.34	12.9	-0.6	3.9	3.7	2.8	2.6	2.5
Productivity (tons/1,000 hours) . .	579.8	585.2	557.4	586.5	583.2	624.0	577.5	656.6	7.6	0.9	-4.7	5.2	-0.6	7.0	13.7
Unit labor costs . . . . .	\$26.08	\$25.70	\$28.02	\$27.61	\$28.54	\$27.36	\$29.27	\$26.40	4.9	-1.5	9.0	-1.5	3.4	-4.1	-9.8
Net sales:															
Quantity . . . . .	377,211	347,013	307,812	537,086	604,463	728,170	340,920	423,601	93.0	-8.0	-11.3	74.5	12.5	20.5	24.3
Value . . . . .	122,427	102,912	111,554	234,195	441,334	522,514	262,735	308,937	326.8	-15.9	8.4	109.9	88.4	18.4	17.6
Unit value . . . . .	\$325	\$297	\$362	\$436	\$730	\$718	\$771	\$729	121.1	-8.6	22.2	20.3	67.4	-1.7	-5.4
Cost of goods sold (COGS) . . . .	116,560	93,296	103,761	206,361	385,255	478,686	247,209	279,741	310.7	-20.0	11.2	98.9	86.7	24.3	13.2
Gross profit or (loss) . . . . .	5,867	9,616	7,793	27,834	56,079	43,828	15,526	29,196	647.0	63.9	-19.0	257.2	101.5	-21.8	88.0
SG&A expenses . . . . .	3,527	3,814	4,379	10,376	12,669	13,734	5,977	8,357	289.4	8.1	14.8	136.9	22.1	8.4	39.8
Operating income or (loss) . . . .	2,340	5,802	3,414	17,458	43,410	30,094	9,549	20,839	1,186.1	147.9	-41.2	411.4	148.7	-30.7	118.2
Capital expenditures . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS . . . . .	\$309	\$269	\$337	\$384	\$637	\$657	\$725	\$660	112.7	-13.0	25.4	14.0	65.9	3.1	-8.9
Unit SG&A expenses . . . . .	\$9	\$11	\$14	\$19	\$21	\$19	\$18	\$20	101.7	17.5	29.4	35.8	8.5	-10.0	12.5
Unit operating income or (loss) . .	\$6	\$17	\$11	\$33	\$72	\$41	\$28	\$49	566.2	169.5	-33.7	193.1	120.9	-42.5	75.6
COGS/sales (1) . . . . .	95.2	90.7	93.0	88.1	87.3	91.6	94.1	90.5	-3.6	-4.6	2.4	-4.9	-0.8	4.3	-3.5
Operating income or (loss)/ sales (1) . . . . .	1.9	5.6	3.1	7.5	9.8	5.8	3.6	6.7	3.8	3.7	-2.6	4.4	2.4	-4.1	3.1

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires.

Carbon and micro-alloy CTL plate: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006

	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)															
	Reported data						Period changes									
Item	2000	2001	2002	2003	2004	2005	January-June									Jan.-June
							2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	
U.S. consumption quantity:																
Amount .....	7,726,898	7,119,402	7,466,684	7,267,857	8,273,182	8,589,875	4,309,826	5,184,837	11.2	-7.9	4.9	-2.7	13.8	3.8	20.3	
Producers' share (1) .....	90.3	90.5	92.2	95.3	92.9	91.1	91.2	88.3	0.7	0.2	1.7	3.0	-2.4	-1.8	-2.9	
Importers' share (1):																
Belgium .....	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	-0.1	0.0	-0.1	-0.1	0.0	-0.0	0.1	
Brazil .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	0.0	0.0	-0.0	
Finland .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	0.0	
Germany .....	0.1	0.0	0.5	0.0	0.3	0.0	0.0	0.3	-0.1	-0.1	0.5	-0.5	0.2	-0.3	0.3	
Mexico .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	-0.0	
Poland .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0	-0.0	
Romania .....	0.0	0.1	0.6	1.0	1.3	0.6	0.1	0.0	0.6	0.1	0.5	0.4	0.4	-0.7	-0.1	
Spain .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
Sweden .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.0	-0.0	0.0	-0.0	-0.0	
Taiwan .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
United Kingdom .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0	0.0	
Subtotal .....	0.4	0.4	1.3	1.1	1.8	0.8	0.2	0.4	0.4	0.0	0.9	-0.2	0.7	-1.0	0.2	
All other sources .....	9.3	9.1	6.5	3.7	5.4	8.1	8.6	11.2	-1.1	-0.2	-2.6	-2.8	1.7	2.8	2.6	
Total imports .....	9.7	9.5	7.8	4.7	7.1	8.9	8.8	11.7	-0.7	-0.2	-1.7	-3.0	2.4	1.8	2.9	
U.S. consumption value:																
Amount .....	2,879,948	2,514,333	2,623,071	2,659,110	5,219,653	6,304,256	3,276,085	3,753,311	118.9	-12.7	4.3	1.4	96.3	20.8	14.6	
Producers' share (1) .....	91.9	91.7	92.7	95.6	93.5	91.2	91.6	89.7	-0.6	-0.2	1.0	2.9	-2.1	-2.3	-1.9	
Importers' share (1):																
Belgium .....	0.2	0.3	0.2	0.1	0.1	0.1	0.1	0.2	-0.1	0.0	-0.1	-0.1	0.0	0.0	0.1	
Brazil .....	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	-0.0	0.0	-0.0	-0.0	0.0	0.0	-0.1	
Finland .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	0.0	
Germany .....	0.1	0.0	0.6	0.1	0.2	0.0	0.0	0.4	-0.1	-0.1	0.6	-0.6	0.1	-0.2	0.4	
Mexico .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	-0.0	
Poland .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0	-0.0	
Romania .....	0.0	0.1	0.5	0.8	1.1	0.5	0.1	0.0	0.5	0.1	0.4	0.3	0.3	-0.6	-0.1	
Spain .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
Sweden .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.0	-0.0	0.0	-0.0	-0.0	
Taiwan .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
United Kingdom .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0	0.0	
Subtotal .....	0.4	0.4	1.4	1.0	1.5	0.7	0.2	0.6	0.3	-0.0	0.9	-0.4	0.5	-0.8	0.3	
All other sources .....	7.7	7.9	6.0	3.5	5.0	8.0	8.1	9.7	0.3	0.2	-1.9	-2.5	1.5	3.0	1.6	
Total imports .....	8.1	8.3	7.3	4.4	6.5	8.8	8.4	10.3	0.6	0.2	-1.0	-2.9	2.1	2.3	1.9	
U.S. imports from:																
Belgium:																
Quantity .....	15,614	16,575	11,615	6,226	10,271	10,388	2,767	6,853	-33.5	6.1	-29.9	-46.4	65.0	1.1	147.6	
Value .....	6,458	6,511	4,951	3,086	7,023	8,923	1,976	5,904	38.2	0.8	-24.0	-37.7	127.6	27.0	198.7	
Unit value .....	\$414	\$393	\$426	\$496	\$684	\$859	\$714	\$862	107.7	-5.0	8.5	16.3	37.9	25.6	20.6	
Ending inventory quantity ...	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Brazil:																
Quantity .....	3,243	2,978	1,477	0	18	2,460	1,961	420	-24.1	-8.2	-50.4	-100.0	(2)	13,360.3	-78.6	
Value .....	1,546	1,386	288	0	7	3,138	2,714	323	103.0	-10.3	-79.2	-100.0	(2)	46,865.1	-88.1	
Unit value .....	\$477	\$465	\$195	(2)	\$366	\$1,276	\$1,384	\$769	167.6	-2.4	-58.0	(2)	(2)	248.9	-44.4	
Ending inventory quantity ...	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Finland:																
Quantity .....	0	19	0	0	1,290	0	0	0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)	
Value .....	0	10	0	0	1,112	0	0	0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)	
Unit value .....	(2)	\$537	(2)	(2)	\$862	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Ending inventory quantity ...	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Germany:																
Quantity .....	8,783	129	40,536	2,647	23,413	2,078	1,491	15,671	-76.3	-98.5	31,358.2	-93.5	784.6	-91.1	950.7	
Value .....	4,030	92	17,028	1,688	10,641	1,440	980	15,574	-64.3	-97.7	18,505.1	-90.1	530.6	-86.5	1,489.4	
Unit value .....	\$459	\$710	\$420	\$638	\$454	\$693	\$657	\$994	51.0	54.8	-40.9	51.8	-28.7	52.5	51.3	
Ending inventory quantity ...	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Mexico:																
Quantity .....	153	271	273	308	1,083	440	379	168	188.1	77.5	0.8	12.8	251.7	-59.4	-55.5	
Value .....	65	141	81	123	570	271	244	79	314.1	116.1	-42.4	51.7	362.1	-52.5	-67.5	
Unit value .....	\$428	\$521	\$298	\$400	\$526	\$615	\$645	\$472	43.8	21.7	-42.9	34.5	31.4	16.9	-26.9	
Ending inventory quantity ...	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Poland:																
Quantity .....	3	386	0	0	45	61	61	0	1,774.3	11,718.8	-100.0	(2)	(2)	36.7	-100.0	
Value .....	4	95	0	0	23	36	36	0	778.4	2199.4	-100.0	(2)	(2)	61.2	-100.0	
Unit value .....	\$1,270	\$247	(2)	(2)	\$505	\$595	\$595	(2)	-53.1	-80.5	(2)	(2)	(2)	17.9	(2)	
Ending inventory quantity ...	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Romania:																
Quantity .....	6	5,981	44,339	69,552	109,969	49,813	3,014	0	803,561.0	96,393.7	641.3	56.9	58.1	-54.7	-100.0	
Value .....	6	1,433	12,627	20,706	58,584	31,292	2,084	0	567,087.1	25,871.5	781.2	64.0	182.9	-46.6	-100.0	
Unit value .....	\$890	\$240	\$285	\$298	\$533	\$628	\$691	(2)	-29.4	-73.1	18.9	4.5	78.9	17.9	(2)	
Ending inventory quantity ...	0	0	0	0	***	***	0	0	(2)	(2)	(2)	(2)	(2)	***	(2)	
Spain:																
Quantity .....	5	0	6	0	0	0	0	0	-100.0	-100.0	(2)	-100.0	(2)	(2)	(2)	
Value .....	2	0	2	0	0	0	0	0	-100.0	-100.0	(2)	-100.0	(2)	(2)	(2)	
Unit value .....	\$444	(2)	\$358	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Ending inventory quantity ...	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Sweden:																
Quantity .....	354	1,312	198	0	280	182	182	50	-48.7	270.9	-84.9	-100.0	(2)	-35.1	-72.4	
Value .....	198	1,095	192	0	131	108	108	33	-45.4	453.6	-82.4	-100.0	(2)	-17.9	-69.3	
Unit value .....	\$559	\$835	\$970	(2)	\$470	\$595	\$595	\$663	6.4	49.3	16.3	(2)	(2)	26.6	11.5	
Ending inventory quantity ...	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Taiwan:																
Quantity .....	75	66	226	0	0	0	0	0	-100.0	-11.1	240.8	-100.0	(2)	(2)	(2)	
Value .....	26	20	270	0	0	0	0	0	-100.0	-22.2	1216.5	-100.0	(2)	(2)	(2)	
Unit value .....	\$353	\$309	\$1,194	(2)	(2)	(2)	(2)	(2)	(2)	-12.5	286.4	(2)	(2)	(2)	(2)	
Ending inventory quantity ...	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
United Kingdom:																
Quantity .....	847	125	79	23	8	17	0	19	-97.9	-85.3	-37.1	-71.0	-64.5	115.2	(2)	
Value .....	246	88	49	7	3	6	0	6	-97.6	-64.1	-44.6	-85.8	-56.5	97.0	(2)	
Unit value .....	\$291	\$708	\$624	\$305	\$374	\$342	(2)	\$338	17.8	143.6	-11.9	-51.0	22.5	-8.5	(2)	
Ending inventory quantity ...	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Subtotal:																
Quantity .....	29,083	27,842	98,749	78,755	146,377	65,439	9,856	23,181	125.0	-4.3	254.7	-20.2	85.9	-55.3	135.2	
Value .....	12,581	10,873	35,489	25,610	78,094	45,214	8,143	21,920	259.4	-13.6	226.4	-27.8	204.9	-42.1	169.2	
Unit value .....	\$433	\$391	\$359	\$325	\$534	\$691	\$826	\$946	59.7	-9.7	-8.0	-9.5	64.1	29.5	14.4	
Ending inventory quantity ...	0	0	0	0	***	***	0	0	(2)	(2)	(2)	(2)	(2)	***	(2)	

**Table C-2--Continued**  
**Carbon and micro-alloy CTL plate: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006**

	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)														
	Reported data						Period changes								
Item	2000	2001	2002	2003	2004	2005	January-June		2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June
							2005	2006							2005-06
U.S. imports from:															
All other sources:															
Quantity .....	717,087	646,703	481,859	266,359	443,279	699,830	371,267	583,090	-2.4	-9.8	-25.5	-44.7	66.4	57.9	57.1
Value .....	221,888	197,774	156,735	92,251	261,397	507,408	265,948	363,167	128.7	-10.9	-20.8	-41.1	183.4	94.1	36.6
Unit value .....	\$309	\$306	\$325	\$346	\$590	\$725	\$716	\$623	134.3	-1.2	6.4	6.5	70.3	23.0	-13.1
Ending inventory quantity .....	3,605	2,257	1,557	905	***	***	2,663	2,758	***	-37.4	-31.0	-41.9	***	***	3.6
All sources:															
Quantity .....	746,170	674,545	580,607	345,114	589,656	765,269	381,123	606,271	2.6	-9.6	-13.9	-40.6	70.9	29.8	59.1
Value .....	234,469	208,647	192,224	117,860	339,490	552,621	274,091	385,087	135.7	-11.0	-7.9	-38.7	188.0	62.8	40.5
Unit value .....	\$314	\$309	\$331	\$342	\$576	\$722	\$719	\$635	129.8	-1.6	7.0	3.2	68.6	25.4	-11.7
Ending inventory quantity .....	3,605	2,257	1,557	905	20,148	7,756	2,663	2,758	115.1	-37.4	-31.0	-41.9	2126.3	-61.5	3.6
U.S. producers:															
Average capacity quantity .....	11,339,998	11,738,263	12,135,197	12,529,308	12,241,278	12,499,426	6,234,411	6,448,141	10.2	3.5	3.4	3.2	-2.3	2.1	3.4
Production quantity .....	7,224,280	6,572,641	7,042,099	7,232,492	8,201,826	8,370,365	4,099,001	4,920,022	15.9	-9.0	7.1	2.7	13.4	2.1	20.0
Capacity utilization (1) .....	63.7	56.0	58.0	57.7	67.0	67.0	65.7	76.3	3.3	-7.7	2.0	-0.3	9.3	-0.0	10.6
U.S. shipments:															
Quantity .....	6,980,728	6,444,857	6,886,077	6,922,743	7,683,526	7,824,606	3,928,703	4,578,566	12.1	-7.7	6.8	0.5	11.0	1.8	16.5
Value .....	2,645,479	2,305,687	2,430,846	2,541,250	4,880,162	5,751,635	3,001,994	3,368,224	117.4	-12.8	5.4	4.5	92.0	17.9	12.2
Unit value .....	\$379	\$358	\$353	\$367	\$635	\$735	\$764	\$736	94.0	-5.6	-1.3	4.0	73.0	15.7	-3.7
Export shipments:															
Quantity .....	270,078	183,343	240,603	327,192	459,436	464,353	167,024	313,815	71.9	-32.1	31.2	36.0	40.4	1.1	87.9
Value .....	103,316	69,401	85,462	116,670	310,026	347,563	129,812	227,775	236.4	-32.8	23.1	36.5	165.7	12.1	75.5
Unit value .....	\$383	\$379	\$355	\$357	\$675	\$748	\$777	\$726	95.7	-1.0	-6.2	0.4	89.2	10.9	-6.6
Ending inventory quantity .....	758,262	680,113	646,841	681,424	668,377	583,788	541,806	578,472	-23.0	-10.3	-4.9	5.3	-1.9	-12.7	6.8
Inventories/total shipments (1) .....	10.5	10.3	9.1	9.4	8.2	7.0	6.6	5.9	-3.4	-0.2	-1.2	0.3	-1.2	-1.2	-0.7
Production workers .....	6,618	6,341	5,979	5,565	5,484	5,535	5,426	5,777	-16.4	-4.2	-5.7	-6.9	-1.5	0.9	6.5
Hours worked (1,000s) .....	15,006	13,582	12,899	11,652	11,791	12,235	6,189	7,056	-18.5	-9.5	-5.0	-9.7	1.2	3.8	14.0
Wages paid (\$1,000s) .....	327,335	298,700	285,101	257,170	262,698	273,818	138,741	164,346	-16.3	-8.7	-4.6	-9.8	2.1	4.2	18.5
Hourly wages .....	\$21.81	\$21.99	\$22.10	\$22.07	\$22.28	\$22.38	\$22.42	\$23.29	2.6	0.8	0.5	-0.2	1.0	0.5	3.9
Productivity (tons/1,000 hours) .....	481.4	483.9	546.0	620.7	695.6	684.2	662.3	697.3	42.1	0.5	12.8	13.7	12.1	-1.6	5.3
Unit labor costs .....	\$45.31	\$45.45	\$40.49	\$35.56	\$32.03	\$32.71	\$33.85	\$33.40	-27.8	0.3	-10.9	-12.2	-9.9	2.1	-1.3
Net sales:															
Quantity .....	5,731,845	5,257,684	5,586,697	6,199,509	6,913,384	6,994,327	3,481,322	4,178,568	22.0	-8.3	6.3	11.0	11.5	1.2	20.0
Value .....	2,178,126	1,873,085	2,010,708	2,301,527	4,384,354	5,199,792	2,699,698	3,087,073	138.7	-14.0	7.3	14.5	90.5	18.6	14.3
Unit value .....	\$380	\$356	\$360	\$371	\$634	\$743	\$775	\$739	95.6	-6.2	1.0	3.1	70.8	17.2	-4.7
Cost of goods sold (COGS) .....	2,178,264	1,931,241	1,994,298	2,254,945	3,350,935	3,768,555	1,925,424	2,207,745	73.0	-11.3	3.3	13.1	48.6	12.5	14.7
Gross profit or (loss) .....	(138)	(58,156)	16,410	46,582	1,033,419	1,431,237	774,274	879,328	(3)	-42042.0	(3)	183.9	2,118.5	38.5	13.6
SG&A expenses .....	135,143	128,179	117,287	161,165	131,976	154,532	75,850	85,268	14.3	-5.2	-8.5	37.4	-18.1	17.1	12.4
Operating income or (loss) .....	(135,281)	(186,335)	(100,877)	(114,583)	901,443	1,276,705	698,424	794,061	(3)	-37.7	45.9	-13.6	(3)	41.6	13.7
Capital expenditures															
Unit COGS .....	\$380	\$367	\$357	\$364	\$485	\$539	\$553	\$528	41.8	-3.3	-2.8	1.9	33.3	11.2	-4.5
Unit SG&A expenses .....	\$24	\$24	\$21	\$26	\$19	\$22	\$22	\$20	-6.3	3.4	-13.9	23.8	-26.6	15.7	-6.3
Unit operating income or (loss) .....	(\$24)	(\$35)	(\$18)	(\$18)	\$130	\$183	\$201	\$190	(3)	-50.2	49.1	-2.4	(3)	40.0	-5.3
COGS/sales (1) .....	100.0	103.1	99.2	98.0	76.4	72.5	71.3	71.5	-27.5	3.1	-3.9	-1.2	-21.5	-4.0	0.2
Operating income or (loss)/ sales (1) .....	(6.2)	(9.9)	(5.0)	(5.0)	20.6	24.6	25.9	25.7	30.8	-3.7	4.9	0.0	25.5	4.0	-0.1

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

**Table C-2a**  
**Carbon and micro-alloy CTL plate: Summary data concerning U.S. mills, 2000-05, January-June 2005, and January-June 2006**

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)																
	Reported data						Period changes									
							January-June								Jan.-June	
Item	2000	2001	2002	2003	2004	2005	2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	
U.S. producers:																
Average capacity quantity . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Production quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Capacity utilization (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
U.S. shipments:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Export shipments:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Ending inventory quantity . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Inventories/total shipments (1) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Production workers . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Hours worked (1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Wages paid (\$1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Hourly wages . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Productivity (tons/1,000 hours) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit labor costs . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Net sales:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Cost of goods sold (COGS) . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Gross profit or (loss) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Operating income or (loss) . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Capital expenditures . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit COGS . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit operating income or (loss) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
COGS/sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Operating income or (loss)/ sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	

(1) "Reported data" are in percent and "period changes" are in percentage points.  
(2) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires.

Table C-2b

Carbon and micro-alloy CTL plate: Summary data concerning U.S. processors, 2000-05, January-June 2005, and January-June 2006

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data							Period changes							
	2000	2001	2002	2003	2004	2005	January-June		2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June 2005-06
							2005	2006							
U.S. producers:															
Average capacity quantity . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments:															
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:															
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (tons/1,000 hours) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:															
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS) . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss) . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires.



Table C-3  
CTL plate other than wide flat bar: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006

	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)															
	Reported data						Period changes									
Item	2000	2001	2002	2003	2004	2005	January-June									Jan.-June
							2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	
U.S. consumption quantity:																
Amount	6,511,204	5,934,095	6,125,552	5,864,742	6,413,199	6,672,671	3,367,744	4,101,220	2.5	-8.9	3.2	-4.3	9.4	4.0	21.8	
Producers' share (1)	89.3	89.3	91.0	94.7	91.7	90.1	89.9	86.2	0.8	0.0	1.7	3.7	-3.1	-1.6	-3.7	
Importers' share (1):																
Belgium	0.2	0.3	0.2	0.1	0.2	0.2	0.1	0.2	-0.1	0.0	-0.1	-0.1	0.1	-0.0	0.1	
Brazil	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	-0.0	0.0	-0.0	-0.0	0.0	0.0	-0.0	
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	0.0	
Germany	0.1	0.0	0.7	0.0	0.4	0.0	0.0	0.4	-0.1	-0.1	0.7	-0.6	0.3	-0.3	0.3	
Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	-0.0	
Poland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0	-0.0	
Romania	0.0	0.1	0.7	1.2	1.7	0.7	0.1	0.0	0.7	0.1	0.6	0.5	0.5	-1.0	-0.1	
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
Sweden	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.0	-0.0	0.0	-0.0	-0.0	
Taiwan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
United Kingdom	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0	0.0	
Subtotal	0.4	0.5	1.6	1.3	2.3	1.0	0.3	0.6	0.5	0.0	1.1	-0.3	0.9	-1.3	0.3	
All other sources	10.2	10.2	7.3	3.9	6.1	8.9	9.8	13.3	-1.3	-0.0	-2.9	-3.4	2.2	2.9	3.4	
Total imports	10.7	10.7	9.0	5.3	8.3	9.9	10.1	13.8	-0.8	-0.0	-1.7	-3.7	3.1	1.6	3.7	
U.S. consumption value:																
Amount	2,341,847	2,005,920	2,104,471	2,096,824	4,052,633	4,790,575	2,535,869	2,891,827	104.6	-14.3	4.9	-0.4	93.3	18.2	14.0	
Producers' share (1)	91.0	90.6	91.5	95.1	92.6	90.7	90.8	88.0	-0.3	-0.4	1.0	3.5	-2.5	-1.9	-2.7	
Importers' share (1):																
Belgium	0.3	0.3	0.2	0.1	0.2	0.2	0.1	0.2	-0.1	0.0	-0.1	-0.1	0.0	0.0	0.1	
Brazil	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.0	-0.0	0.0	-0.1	-0.0	0.0	0.1	-0.1	
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	0.0	
Germany	0.2	0.0	0.8	0.1	0.3	0.0	0.0	0.5	-0.1	-0.2	0.8	-0.7	0.2	-0.2	0.5	
Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	-0.0	
Poland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0	-0.0	
Romania	0.0	0.1	0.6	1.0	1.4	0.7	0.1	0.0	0.7	0.1	0.5	0.4	0.5	-0.8	-0.1	
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
Sweden	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.0	-0.0	0.0	-0.0	-0.0	
Taiwan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	
United Kingdom	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0	0.0	
Subtotal	0.5	0.5	1.7	1.2	1.9	0.9	0.3	0.8	0.4	0.0	1.1	-0.5	0.7	-1.0	0.4	
All other sources	8.5	8.9	6.8	3.7	5.5	8.3	8.9	11.2	-0.1	0.4	-2.1	-3.1	1.8	2.9	2.3	
Total imports	9.0	9.4	8.5	4.9	7.4	9.3	9.2	12.0	0.3	0.4	-1.0	-3.5	2.5	1.9	2.7	
U.S. imports from:																
Belgium:																
Quantity	15,614	16,575	11,615	6,226	10,271	10,388	2,767	6,853	-33.5	6.1	-29.9	-46.4	65.0	1.1	147.6	
Value	6,458	6,511	4,951	3,086	7,023	8,923	1,976	5,904	38.2	0.8	-24.0	-37.7	127.6	27.0	198.7	
Unit value	\$414	\$393	\$426	\$496	\$684	\$859	\$714	\$862	107.7	-5.0	8.5	16.3	37.9	25.6	20.6	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Brazil:																
Quantity	3,243	2,978	1,477	0	18	2,460	1,961	420	-24.1	-8.2	-50.4	-100.0	(2)	13,360.3	-78.6	
Value	1,546	1,386	288	0	7	3,138	2,714	323	103.0	-10.3	-79.2	-100.0	(2)	46,865.1	-88.1	
Unit value	\$477	\$465	\$195	(2)	\$366	\$1,276	\$1,384	\$769	167.6	-2.4	-58.0	(2)	(2)	248.9	-44.4	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Finland:																
Quantity	0	19	0	0	1,290	0	0	0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)	
Value	0	10	0	0	1,112	0	0	0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)	
Unit value	(2)	\$537	(2)	(2)	\$862	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Germany:																
Quantity	8,783	125	40,536	2,647	23,226	2,078	1,491	15,671	-76.3	-98.6	32,242.5	-93.5	777.5	-91.1	950.7	
Value	4,030	89	17,028	1,688	10,546	1,440	980	15,574	-64.3	-97.8	18,984.0	-90.1	524.9	-86.3	1,489.4	
Unit value	\$459	\$712	\$420	\$638	\$454	\$693	\$657	\$994	51.0	55.1	-41.0	51.8	-28.8	52.7	51.3	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Mexico:																
Quantity	136	271	273	308	1,005	440	379	168	223.4	99.2	0.8	12.8	226.2	-56.2	-55.5	
Value	58	141	81	123	534	271	244	79	367.1	143.7	-42.4	51.7	333.1	-49.3	-67.5	
Unit value	\$426	\$521	\$298	\$400	\$532	\$615	\$645	\$472	44.4	22.3	-42.9	34.5	32.8	15.7	-26.9	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Poland:																
Quantity	3	386	0	0	45	61	61	0	1,774.3	11,718.8	-100.0	(2)	(2)	36.7	-100.0	
Value	4	95	0	0	23	36	36	0	778.4	2199.4	-100.0	(2)	(2)	61.2	-100.0	
Unit value	\$1,270	\$247	(2)	(2)	\$505	\$595	\$595	(2)	-53.1	-80.5	(2)	(2)	(2)	17.9	(2)	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Romania:																
Quantity	6	5,981	44,339	69,552	109,969	49,813	3,014	0	803,561.0	96,393.7	641.3	56.9	58.1	-54.7	-100.0	
Value	6	1,433	12,627	20,706	58,584	31,292	2,084	0	567,087.1	25,871.5	781.2	64.0	182.9	-46.6	-100.0	
Unit value	\$890	\$240	\$285	\$298	\$533	\$628	\$691	(2)	-29.4	-73.1	18.9	4.5	78.9	17.9	(2)	
Ending inventory quantity	0	0	0	0	***	***	0	0	(2)	(2)	(2)	(2)	(2)	***	(2)	
Spain:																
Quantity	5	0	6	0	0	0	0	0	-100.0	-100.0	(2)	-100.0	(2)	(2)	(2)	
Value	2	0	2	0	0	0	0	0	-100.0	-100.0	(2)	-100.0	(2)	(2)	(2)	
Unit value	\$444	(2)	\$358	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Sweden:																
Quantity	333	1,312	198	0	280	182	182	50	-45.5	294.3	-84.9	-100.0	(2)	-35.1	-72.4	
Value	189	1,095	192	0	131	108	108	33	-42.7	480.9	-82.4	-100.0	(2)	-17.9	-69.3	
Unit value	\$566	\$835	\$970	(2)	\$470	\$595	\$595	\$663	5.0	47.3	16.3	(2)	(2)	26.6	11.5	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Taiwan:																
Quantity	75	66	226	0	0	0	0	0	-100.0	-11.1	240.8	-100.0	(2)	(2)	(2)	
Value	26	20	270	0	0	0	0	0	-100.0	-22.2	1216.5	-100.0	(2)	(2)	(2)	
Unit value	\$353	\$309	\$1,194	(2)	(2)	(2)	(2)	(2)	(2)	-12.5	286.4	(2)	(2)	(2)	(2)	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
United Kingdom:																
Quantity	847	125	79	23	8	17	0	19	-97.9	-85.3	-37.1	-71.0	-64.5	115.2	(2)	
Value	246	88	49	7	3	6	0	6	-97.6	-64.1	-44.6	-85.8	-56.5	97.0	(2)	
Unit value	\$291	\$708	\$624	\$305	\$374	\$342	(2)	\$338	17.8	143.6	-11.9	-51.0	22.5	-8.5	(2)	
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Subtotal:																
Quantity	29,045	27,838	98,749	78,755	146,112	65,439	9,856	23,181	125.3	-4.2	254.7	-20.2	85.5	-55.2	135.2	
Value	12,565	10,870	35,489	25,610	77,962	45,214	8,143	21,920	259.8	-13.5	226.5	-27.8	204.4	-42.0	169.2	
Unit value	\$433	\$390	\$359	\$325	\$534	\$691	\$826	\$946	59.7	-9.7	-8.0	-9.5	64.1	29.5	14.4	
Ending inventory quantity	0	0	0	0	***	***	0	0	(2)	(2)	(2)	(2)	(2)	***	(2)	

**Table C-3--Continued**  
**CTL plate other than wide flat bar: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006**

	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)														
	Reported data							Period changes							
Item	2000	2001	2002	2003	2004	2005	January-June 2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June 2005-06
U.S. imports from:															
All other sources:															
Quantity . . . . .	666,605	606,083	450,109	229,770	389,385	597,036	331,000	543,826	-10.4	-9.1	-25.7	-49.0	69.5	53.3	64.3
Value . . . . .	198,740	178,523	142,588	77,496	221,448	399,731	226,424	324,630	101.1	-10.2	-20.1	-45.7	185.8	80.5	43.4
Unit value . . . . .	\$298	\$295	\$317	\$337	\$569	\$670	\$684	\$597	124.6	-1.2	7.5	6.5	68.6	17.7	-12.7
Ending inventory quantity . . . . .	3,605	2,257	1,557	905	***	***	2,663	2,758	***	-37.4	-31.0	-41.9	***	***	3.6
All sources:															
Quantity . . . . .	695,650	633,921	548,858	308,525	535,497	662,475	340,856	567,008	-4.8	-8.9	-13.4	-43.8	73.6	23.7	66.3
Value . . . . .	211,304	189,393	178,077	103,105	299,410	444,944	234,567	346,550	110.6	-10.4	-6.0	-42.1	190.4	48.6	47.7
Unit value . . . . .	\$304	\$299	\$324	\$334	\$559	\$672	\$688	\$611	121.1	-1.6	8.6	3.0	67.3	20.1	-11.2
Ending inventory quantity . . . . .	3,605	2,257	1,557	905	20,148	7,756	2,663	2,758	115.1	-37.4	-31.0	-41.9	2126.3	-61.5	3.6
U.S. producers:															
Average capacity quantity . . . . .	9,417,685	9,681,335	9,772,444	10,272,203	9,560,857	9,679,509	4,824,805	4,958,083	2.8	2.8	0.9	5.1	-6.9	1.2	2.8
Production quantity . . . . .	6,002,281	5,388,829	5,654,499	5,785,238	6,298,458	6,500,286	3,182,764	3,850,369	8.3	-10.2	4.9	2.3	8.9	3.2	21.0
Capacity utilization (1) . . . . .	63.7	55.7	57.9	56.3	65.9	67.2	66.0	77.7	3.4	-8.1	2.2	-1.5	9.6	1.3	11.7
U.S. shipments:															
Quantity . . . . .	5,815,554	5,300,174	5,576,694	5,556,217	5,877,702	6,010,196	3,026,888	3,534,212	3.3	-8.9	5.2	-0.4	5.8	2.3	16.8
Value . . . . .	2,130,543	1,816,527	1,926,394	1,993,719	3,753,222	4,345,631	2,301,302	2,545,277	104.0	-14.7	6.0	3.5	88.3	15.8	10.6
Unit value . . . . .	\$366	\$343	\$345	\$359	\$639	\$723	\$760	\$720	97.4	-6.4	0.8	3.9	78.0	13.2	-5.3
Export shipments:															
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity . . . . .	634,924	570,547	519,685	523,442	491,418	483,171	441,129	489,559	-23.9	-10.1	-8.9	0.7	-6.1	-1.7	11.0
Inventories/total shipments (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers . . . . .	5,208	4,567	4,089	3,920	3,380	3,381	3,253	3,666	-35.1	-12.3	-10.5	-4.1	-13.8	0.0	12.7
Hours worked (1,000s) . . . . .	11,809	10,307	9,398	8,759	7,856	7,980	4,100	4,753	-32.4	-12.7	-8.8	-6.8	-10.3	1.6	15.9
Wages paid (\$1,000s) . . . . .	250,669	217,864	197,950	191,396	172,374	177,747	88,448	107,992	-29.1	-13.1	-9.1	-3.3	-9.9	3.1	22.1
Hourly wages . . . . .	\$21.23	\$21.14	\$21.06	\$21.85	\$21.94	\$22.27	\$21.57	\$22.72	4.9	-0.4	-0.4	3.7	0.4	1.5	5.3
Productivity (tons/1,000 hours) . . . . .	508.3	522.9	601.7	660.5	801.7	814.6	776.2	810.1	60.3	2.9	15.1	9.8	21.4	1.6	4.4
Unit labor costs . . . . .	\$41.76	\$40.43	\$35.01	\$33.08	\$27.37	\$27.34	\$27.79	\$28.05	-34.5	-3.2	-13.4	-5.5	-17.3	-0.1	0.9
Net sales:															
Quantity . . . . .	4,585,235	4,149,421	4,425,972	4,922,641	5,222,184	5,219,720	2,597,690	3,126,176	13.8	-9.5	6.7	11.2	6.1	-0.0	20.3
Value . . . . .	1,664,811	1,406,324	1,512,659	1,782,211	3,316,741	3,819,106	2,009,427	2,285,829	129.4	-15.5	7.6	17.8	86.1	15.1	13.8
Unit value . . . . .	\$363	\$339	\$342	\$362	\$635	\$732	\$774	\$731	101.5	-6.7	0.8	5.9	75.4	15.2	-5.5
Cost of goods sold (COGS) . . . . .	1,725,769	1,509,602	1,540,350	1,794,110	2,513,703	2,770,950	1,429,768	1,653,719	60.6	-12.5	2.0	16.5	40.1	10.2	15.7
Gross profit or (loss) . . . . .	(60,958)	(103,278)	(27,691)	(11,900)	803,038	1,048,156	579,659	632,109	(3)	-69.4	73.2	57.0	(3)	30.5	9.0
SG&A expenses . . . . .	107,151	101,336	92,235	132,328	97,994	112,993	53,554	65,383	5.5	-5.4	-9.0	43.5	-25.9	15.3	22.1
Operating income or (loss) . . . . .	(168,109)	(204,614)	(119,926)	(144,227)	705,044	935,163	526,105	566,726	(3)	-21.7	41.4	-20.3	(3)	32.6	7.7
Capital expenditures															
Unit COGS . . . . .	\$376	\$364	\$348	\$364	\$481	\$531	\$550	\$529	41.0	-3.3	-4.3	4.7	32.1	10.3	-3.9
Unit SG&A expenses . . . . .	\$23	\$24	\$21	\$27	\$19	\$22	\$21	\$21	-7.4	4.5	-14.7	29.0	-30.2	15.4	1.4
Unit operating income or (loss) . . . . .	(\$37)	(\$49)	(\$27)	(\$29)	\$135	\$179	\$203	\$181	(3)	-34.5	45.1	-8.1	(3)	32.7	-10.5
COGS/sales (1) . . . . .	103.7	107.3	101.8	100.7	75.8	72.6	71.2	72.3	-31.1	3.7	-5.5	-1.2	-24.9	-3.2	1.2
Operating income or (loss)/sales (1) . . . . .	(10.1)	(14.5)	(7.9)	(8.1)	21.3	24.5	26.2	24.8	34.6	-4.5	6.6	-0.2	29.3	3.2	-1.4

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

**Table C-4**  
**Carbon and micro-alloy CTL plate other than wide flat bar: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006**

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)															
Item	Reported data						January-June		Period changes						
	2000	2001	2002	2003	2004	2005	2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June 2005-06
U.S. consumption quantity:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Belgium	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Brazil	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Finland	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Poland	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Romania	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Sweden	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
United Kingdom	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Belgium	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Brazil	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Finland	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Poland	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Romania	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Sweden	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
United Kingdom	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports from:															
Belgium:															
Quantity	15,614	16,575	11,615	6,226	10,271	10,388	2,767	6,853	-33.5	6.1	-29.9	-46.4	65.0	1.1	147.6
Value	6,458	6,511	4,951	3,086	7,023	8,923	1,976	5,904	38.2	0.8	-24.0	-37.7	127.6	27.0	198.7
Unit value	414	393	426	496	684	859	714	862	107.7	-5.0	8.5	16.3	37.9	25.6	20.6
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Brazil:															
Quantity	3,243	2,978	1,477	0	18	2,460	1,961	420	-24.1	-8.2	-50.4	-100.0	(2)	13,360.3	-78.6
Value	1,546	1,386	288	0	7	3,138	2,714	323	103.0	-10.3	-79.2	-100.0	(2)	46,865.1	-88.1
Unit value	477	465	195	(2)	366	1,276	1,384	769	167.6	-2.4	-58.0	(2)	(2)	248.9	-44.4
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Finland:															
Quantity	0	19	0	0	1,290	0	0	0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)
Value	0	10	0	0	1,112	0	0	0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)
Unit value	(2)	537	(2)	(2)	862	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Germany:															
Quantity	8,783	125	40,536	2,647	23,226	2,078	1,491	15,671	-76.3	-98.6	32,242.5	-93.5	777.5	-91.1	950.7
Value	4,030	89	17,028	1,688	10,546	1,440	980	15,574	-64.3	-97.8	18,984.0	-90.1	524.9	-86.3	1,489.4
Unit value	\$459	\$712	\$420	\$638	\$454	\$693	\$657	\$994	51.0	55.1	-41.0	51.8	-28.8	52.7	51.3
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Mexico:															
Quantity	136	271	273	308	1,005	440	379	168	223.4	99.2	0.8	12.8	226.2	-56.2	-55.5
Value	58	141	81	123	534	271	244	79	367.1	143.7	-42.4	51.7	333.1	-49.3	-67.5
Unit value	\$426	\$521	\$298	\$400	\$532	\$615	\$645	\$472	44.4	22.3	-42.9	34.5	32.8	15.7	-26.9
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Poland:															
Quantity	3	386	0	0	45	61	61	0	1774.3	11718.8	-100.0	(2)	(2)	36.7	-100.0
Value	4	95	0	0	23	36	36	0	778.4	2199.4	-100.0	(2)	(2)	61.2	-100.0
Unit value	1,270	247	(2)	(2)	505	595	595	(2)	-53.1	-80.5	(2)	(2)	(2)	17.9	(2)
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Romania:															
Quantity	6	5,981	44,339	69,552	109,969	49,813	3,014	0	803,561.0	96,393.7	641.3	56.9	58.1	-54.7	-100.0
Value	6	1,433	12,627	20,706	58,584	31,292	2,084	0	567,087.1	25,871.5	781.2	64.0	182.9	-46.6	-100.0
Unit value	890	240	285	298	533	628	691	(2)	-29.4	-73.1	18.9	4.5	78.9	17.9	(2)
Ending inventory quantity	0	0	0	0	***	***	0	0	(2)	(2)	(2)	(2)	(2)	***	(2)
Spain:															
Quantity	5	0	6	0	0	0	0	0	-100.0	-100.0	(2)	-100.0	(2)	(2)	(2)
Value	2	0	2	0	0	0	0	0	-100.0	-100.0	(2)	-100.0	(2)	(2)	(2)
Unit value	444	(2)	358	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Sweden:															
Quantity	333	1,312	198	0	280	182	182	50	-45.5	294.3	-84.9	-100.0	(2)	-35.1	-72.4
Value	189	1,095	192	0	131	108	108	33	-42.7	480.9	-82.4	-100.0	(2)	-17.9	-69.3
Unit value	\$566	\$835	\$970	(2)	\$470	\$595	\$595	\$663	5.0	47.3	16.3	(2)	(2)	26.6	11.5
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Taiwan:															
Quantity	75	66	226	0	0	0	0	0	-100.0	-11.1	240.8	-100.0	(2)	(2)	(2)
Value	26	20	270	0	0	0	0	0	-100.0	-22.2	1216.5	-100.0	(2)	(2)	(2)
Unit value	353	309	1,194	(2)	(2)	(2)	(2)	(2)	(2)	-12.5	286.4	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
United Kingdom:															
Quantity	847	125	79	23	8	17	0	19	-97.9	-85.3	-37.1	-71.0	-64.5	115.2	(2)
Value	246	88	49	7	3	6	0	6	-97.6	-64.1	-44.6	-85.8	-56.5	97.0	(2)
Unit value	291	708	624	305	374	342	(2)	338	17.8	143.6	-11.9	-51.0	22.5	-8.5	(2)
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Subtotal:															
Quantity	29,045	27,838	98,749	78,755	146,112	65,439	9,856	23,181	125.3	-4.2	254.7	-20.2	85.5	-55.2	135.2
Value	12,565	10,870	35,489	25,610	77,962	45,214	8,143	21,920	259.8	-13.5	226.5	-27.8	204.4	-42.0	169.2
Unit value	\$433	\$390	\$359	\$325	\$534	\$691	\$826	\$946	59.7	-9.7	-8.0	-9.5	64.1	29.5	14.4
Ending inventory quantity	0	0	0	0	***	***	0	0	(2)	(2)	(2)	(2)	(2)	***	(2)

**Table C-4--Continued**  
**Carbon and micro-alloy CTL plate other than wide flat bar: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006**

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)																
Item	Reported data						January-June		Period changes							
	2000	2001	2002	2003	2004	2005	2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June	
															2005-06	
U.S. imports from:																
All other sources:																
Quantity . . . . .	714,026	641,362	479,647	261,459	442,541	698,422	370,401	581,866	-2.2	-10.2	-25.2	-45.5	69.3	57.8	57.1	
Value . . . . .	220,672	195,935	155,830	90,855	260,948	506,287	265,203	362,492	129.4	-11.2	-20.5	-41.7	187.2	94.0	36.7	
Unit value . . . . .	\$309	\$305	\$325	\$347	\$590	\$725	\$716	\$623	134.6	-1.2	6.3	7.0	69.7	22.9	-13.0	
Ending inventory quantity . . . . .	3,605	2,257	1,557	905	***	***	2,663	2,758	***	-37.4	-31.0	-41.9	***	***	3.6	
All sources:																
Quantity . . . . .	743,071	669,200	578,396	340,214	588,653	763,861	380,257	605,048	2.8	-9.9	-13.6	-41.2	73.0	29.8	59.1	
Value . . . . .	233,236	206,805	191,319	116,464	338,910	551,500	273,346	384,412	136.5	-11.3	-7.5	-39.1	191.0	62.7	40.6	
Unit value . . . . .	\$314	\$309	\$331	\$342	\$576	\$722	\$719	\$635	130.0	-1.5	7.0	3.5	68.2	25.4	-11.6	
Ending inventory quantity . . . . .	3,605	2,257	1,557	905	20,148	7,756	2,663	2,758	115.1	-37.4	-31.0	-41.9	2,126.3	-61.5	3.6	
U.S. producers:																
Average capacity quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (tons/1,000 hours) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-5  
Wide flat bar: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)													
	Reported data							Period changes						
	2000	2001	2002	2003	2004	2005	January-June 2005 2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June 2005-06
<b>U.S. consumption quantity:</b>														
Amount .....	303,409	300,379	414,019	490,068	565,353	609,300	278,410 333,064	100.8	-1.0	37.8	18.4	15.4	7.8	19.6
Producers' share (1) .....	99.0	98.2	99.5	99.0	99.8	99.8	99.7 99.6	0.8	-0.8	1.2	-0.5	0.8	-0.1	-0.1
Importers' share (1):														
Germany .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	0.0
Mexico .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0	-0.0	-0.0	0.0	0.0	0.0	-0.0	0.0
Sweden .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0	-0.0	-0.0	0.0	0.0	0.0	0.0	0.0
United Kingdom .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0	-0.0	-0.0	-0.0	0.0	0.0	-0.0	0.0
All other sources .....	1.0	1.8	0.5	1.0	0.1	0.2	0.3 0.4	-0.8	0.8	-1.2	0.5	-0.9	0.1	0.1
Total imports .....	1.0	1.8	0.5	1.0	0.2	0.2	0.3 0.4	-0.8	0.8	-1.2	0.5	-0.8	0.1	0.1
<b>U.S. consumption value:</b>														
Amount .....	112,940	95,120	124,588	172,127	294,424	341,050	152,419 200,024	202.0	-15.8	31.0	38.2	71.1	15.8	31.2
Producers' share (1) .....	98.9	98.1	99.3	99.2	99.8	99.7	99.5 99.7	0.8	-0.8	1.2	-0.1	0.6	-0.1	0.2
Importers' share (1):														
Germany .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	0.0
Mexico .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0	-0.0	-0.0	0.0	0.0	0.0	-0.0	0.0
Sweden .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0	-0.0	-0.0	0.0	0.0	0.0	0.0	0.0
United Kingdom .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0	-0.0	-0.0	-0.0	0.0	0.0	-0.0	0.0
All other sources .....	1.1	1.9	0.7	0.8	0.2	0.3	0.5 0.3	-0.7	0.9	-1.2	0.1	-0.7	0.2	-0.2
Total imports .....	1.1	1.9	0.7	0.8	0.2	0.3	0.5 0.3	-0.8	0.8	-1.2	0.1	-0.6	0.1	-0.2
<b>U.S. imports from:</b>														
Germany:														
Quantity .....	0	4	0	0	187	0	0 0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)
Value .....	0	2	0	0	95	0	0 0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)
Unit value .....	(2)	\$652	(2)	(2)	\$510	(2)	(2) (2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity .....	0	0	0	0	0	0	0 0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Mexico:														
Quantity .....	17	0	0	0	79	0	0 0	-100.0	-100.0	(2)	(2)	(2)	-100.0	(2)
Value .....	7	0	0	0	36	0	0 0	-100.0	-100.0	(2)	(2)	(2)	-100.0	(2)
Unit value .....	\$444	(2)	(2)	(2)	\$455	(2)	(2) (2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity .....	0	0	0	0	0	0	0 0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Sweden:														
Quantity .....	21	0	0	0	0	0	0 0	-100.0	-100.0	(2)	(2)	(2)	(2)	(2)
Value .....	9	0	0	0	0	0	0 0	-100.0	-100.0	(2)	(2)	(2)	(2)	(2)
Unit value .....	\$444	(2)	(2)	(2)	(2)	(2)	(2) (2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity .....	0	0	0	0	0	0	0 0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
United Kingdom:														
Quantity .....	0	0	0	0	0	0	0 0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Value .....	0	0	0	0	0	0	0 0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Unit value .....	(2)	(2)	(2)	(2)	(2)	(2)	(2) (2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity .....	0	0	0	0	0	0	0 0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Subtotal:														
Quantity .....	38	4	0	0	265	0	0 0	-100.0	-90.6	-100.0	(2)	(2)	-100.0	(2)
Value .....	17	2	0	0	131	0	0 0	-100.0	-86.3	-100.0	(2)	(2)	-100.0	(2)
Unit value .....	\$444	\$652	(2)	(2)	\$494	(2)	(2) (2)	(2)	46.9	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity .....	0	0	0	0	0	0	0 0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
All other sources:														
Quantity .....	3,061	5,341	2,212	4,900	738	1,408	866 1,224	-54.0	74.5	-58.6	121.6	-84.9	90.8	41.3
Value .....	1,216	1,839	905	1,396	449	1,121	745 675	-7.8	51.2	-50.8	54.2	-67.8	149.6	-9.4
Unit value .....	\$397	\$344	\$409	\$285	\$609	\$796	\$861 \$552	100.5	-13.3	18.9	-30.4	113.7	30.8	-35.9
Ending inventory quantity .....	0	0	0	0	0	0	0 0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
All sources:														
Quantity .....	3,099	5,345	2,212	4,900	1,003	1,408	866 1,224	-54.6	72.5	-58.6	121.6	-79.5	40.4	41.3
Value .....	1,233	1,842	905	1,396	580	1,121	745 675	-9.1	49.4	-50.8	54.2	-58.4	93.2	-9.4
Unit value .....	\$398	\$345	\$409	\$285	\$578	\$796	\$861 \$552	100.2	-13.4	18.8	-30.4	103.0	37.7	-35.9
Ending inventory quantity .....	0	0	0	0	0	0	0 0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
<b>U.S. producers:</b>														
Average capacity quantity .....	668,510	701,105	828,026	866,150	1,068,216	1,113,916	545,607 566,910	66.6	4.9	18.1	4.6	23.3	4.3	3.9
Production quantity .....	320,525	287,188	435,211	501,230	585,088	618,913	270,955 334,112	93.1	-10.4	51.5	15.2	16.7	5.8	23.3
Capacity utilization (1) .....	47.9	40.8	52.5	57.8	54.5	55.3	49.7 58.9	7.4	-7.1	11.7	5.3	-3.2	0.7	9.3
<b>U.S. shipments:</b>														
Quantity .....	300,310	295,034	411,807	485,168	564,350	607,892	277,544 331,840	102.4	-1.8	39.6	17.8	16.3	7.7	19.6
Value .....	111,708	93,278	123,683	170,731	293,844	339,929	151,674 199,349	204.3	-16.5	32.6	38.0	72.1	15.7	31.4
Unit value .....	372	316	300	352	521	559	546 601	50.3	-15.0	-5.0	17.2	48.0	7.4	9.9
<b>Export shipments:</b>														
Quantity .....	***	***	***	***	***	***	*** ***	***	***	***	***	***	***	***
Value .....	***	***	***	***	***	***	*** ***	***	***	***	***	***	***	***
Unit value .....	***	***	***	***	***	***	*** ***	***	***	***	***	***	***	***
Ending inventory quantity .....	63,221	39,140	45,115	50,073	55,279	43,746	39,881 31,761	-30.8	-38.1	15.3	11.0	10.4	-20.9	-20.4
Inventories/total shipments (1) .....	***	***	***	***	***	***	*** ***	***	***	***	***	***	***	***
Production workers .....	339	302	388	397	593	547	549 546	61.4	-10.9	28.5	2.3	49.4	-7.8	-0.5
Hours worked (1,000s) .....	706	622	843	1,004	1,335	1,211	602 649	71.6	-11.9	35.6	19.1	33.0	-9.2	7.9
Wages paid (\$1,000s) .....	17,802	16,081	20,073	21,615	28,732	30,539	15,087 16,376	71.6	-9.7	24.8	7.7	32.9	6.3	8.5
Hourly wages .....	\$25.22	\$25.87	\$23.82	\$21.54	\$21.53	\$25.21	\$25.08 \$25.23	-0.0	2.6	-7.9	-9.6	-0.1	17.1	0.6
Productivity (tons/1,000 hours) .....	454.0	460.0	516.0	498.7	436.5	508.4	450.4 514.8	12.0	1.3	12.2	-3.4	-12.5	16.5	14.3
Unit labor costs .....	\$55.55	\$56.23	\$46.15	\$43.19	\$49.32	\$49.59	\$55.68 \$49.01	-10.7	1.2	-17.9	-6.4	14.2	0.5	-12.0
<b>Net sales:</b>														
Quantity .....	244,952	217,947	319,949	374,753	416,302	452,821	204,615 253,379	84.9	-11.0	46.8	17.1	11.1	8.8	23.8
Value .....	93,460	71,313	97,227	132,852	214,192	250,913	110,526 151,583	168.5	-23.7	36.3	36.6	61.2	17.1	37.1
Unit value .....	\$382	\$327	\$304	\$355	\$515	\$554	\$540 \$598	45.2	-14.2	-7.1	16.7	45.1	7.7	10.8
Cost of goods sold (COGS) .....	74,242	62,873	88,197	114,234	178,835	196,662	87,674 116,128	164.9	-15.3	40.3	29.5	56.6	10.0	32.5
Gross profit or (loss) .....	19,218	8,440	9,030	18,619	35,357	54,251	22,852 35,455	182.3	-56.1	7.0	106.2	89.9	53.4	55.1
SG&A expenses .....	4,449	3,916	4,294	4,827	6,229	7,107	3,409 4,045	59.7	-12.0	9.6	12.4	29.0	14.1	18.7
Operating income or (loss) .....	14,769	4,524	4,736	13,791	29,129	47,145	19,444 31,410	219.2	-69.4	4.7	191.2	111.2	61.8	61.5
Capital expenditures .....	***	***	***	***	***	***	*** ***	***	***	***	***	***	***	***
Unit COGS .....	\$303	\$288	\$276	\$305	\$430	\$434	\$458	43.3	-4.8	-4.4	10.6	40.9	1.1	7.0
Unit SG&A expenses .....	\$18	\$18	\$13	\$13	\$15	\$16	\$17	-13.6	-1.1	-25.3	-4.0	16.2	4.9	-4.2
Unit operating income or (loss) .....	\$60	\$21	\$15	\$37	\$70	\$104	\$95	72.7	-65.6	-28.7	148.6	90.1	48.8	30.5
COGS/sales (1) .....	79.4	88.2	90.7	86.0	83.5	78.4	79.3	-1.1	8.7	2.5	-4.7	-2.5	-5.1	-2.7
Operating income or (loss)/ sales (1) .....	15.8	6.3	4.9	10.4	13.6	18.8	17.6	3.0	-9.5	-1.5	5.5	3.2	5.2	3.1

(1) "Reported data" are in percent and "period changes" are in percentage points.  
(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown.  
Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-6

Carbon and micro-alloy wide flat bar: Summary data concerning the U.S. market for flat bar, 2000-05, January-June 2005, and January-June 2006

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)														
	Reported data					Period changes									
	2000	2001	2002	2003	2004	2005	January-June		2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June 2005-06
U.S. consumption quantity:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Germany	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Sweden	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
United Kingdom	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Germany	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Sweden	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
United Kingdom	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports from:															
Germany:															
Quantity	0	4	0	0	187	0	0	0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)
Value	0	2	0	0	95	0	0	0	(2)	(2)	-100.0	(2)	(2)	-100.0	(2)
Unit value	(2)	\$652	(2)	(2)	\$510	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Mexico:															
Quantity	17	0	0	0	79	0	0	0	-100.0	-100.0	(2)	(2)	(2)	-100.0	(2)
Value	7	0	0	0	36	0	0	0	-100.0	-100.0	(2)	(2)	(2)	-100.0	(2)
Unit value	\$444	(2)	(2)	(2)	\$455	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Sweden:															
Quantity	21	0	0	0	0	0	0	0	-100.0	-100.0	(2)	(2)	(2)	(2)	(2)
Value	9	0	0	0	0	0	0	0	-100.0	-100.0	(2)	(2)	(2)	(2)	(2)
Unit value	\$444	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
United Kingdom:															
Quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Value	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Unit value	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Subtotal:															
Quantity	38	4	0	0	265	0	0	0	-100.0	-90.6	-100.0	(2)	(2)	-100.0	(2)
Value	17	2	0	0	131	0	0	0	-100.0	-86.3	-100.0	(2)	(2)	-100.0	(2)
Unit value	\$444	\$652	(2)	(2)	\$494	(2)	(2)	(2)	(2)	46.9	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
All other sources:															
Quantity	3,061	5,341	2,212	4,900	738	1,408	866	1,224	-54.0	74.5	-58.6	121.6	-84.9	90.8	41.3
Value	1,216	1,839	905	1,396	449	1,121	745	675	-7.8	51.2	-50.8	54.2	-67.8	149.6	-9.4
Unit value	\$397	\$344	\$409	\$285	\$609	\$796	\$861	\$552	100.5	-13.3	18.9	-30.4	113.7	30.8	-35.9
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
All sources:															
Quantity	3,099	5,345	2,212	4,900	1,003	1,408	866	1,224	-54.6	72.5	-58.6	121.6	-79.5	40.4	41.3
Value	1,233	1,842	905	1,396	580	1,121	745	675	-9.1	49.4	-50.8	54.2	-58.4	93.2	-9.4
Unit value	\$398	\$345	\$409	\$285	\$578	\$796	\$861	\$552	100.2	-13.4	18.8	-30.4	103.0	37.7	-35.9
Ending inventory quantity	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
U.S. producers:															
Average capacity quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

**Table C-7**  
**Corrosion-resistant steel: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006**

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)										Period changes					
	Reported data															
	2000	2001	2002	2003	2004	2005	January-June		2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Jan.-June
							2005	2006								
<b>U.S. consumption quantity:</b>																
Amount .....	21,948,820	20,478,057	22,680,025	21,693,361	25,012,571	22,686,343	11,453,980	13,128,631	3.4	-6.7	10.8	-4.4	15.3	-9.3	14.6	
Producers' share (1) .....	92.6	92.4	90.5	92.3	87.2	88.4	87.3	85.0	-4.1	-0.1	-2.0	1.9	-5.1	1.3	-2.3	
Importers' share (1):																
Australia .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	0.0	-0.0	-0.0	-0.0	
Canada .....	1.7	1.6	2.3	2.5	2.1	2.4	2.5	2.2	0.7	-0.1	0.7	0.2	-0.4	0.3	-0.2	
France .....	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	
Germany .....	0.2	0.1	0.2	0.2	0.1	0.3	0.4	0.2	0.1	-0.1	0.1	-0.1	-0.0	0.2	-0.3	
Japan .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	-0.0	0.0	-0.0	-0.0	-0.0	0.0	
Korea .....	1.2	1.1	0.9	0.5	0.8	1.5	1.6	2.1	0.3	-0.0	-0.2	-0.4	0.3	0.7	0.5	
Subtotal .....	3.2	3.0	3.7	3.3	3.1	4.3	4.6	4.5	1.0	-0.2	0.7	-0.3	-0.2	1.2	-0.0	
All other sources .....	4.2	4.6	5.8	4.3	9.7	7.3	8.1	10.5	3.1	0.4	1.3	-1.5	5.4	-2.4	2.3	
Total imports .....	7.4	7.6	9.5	7.7	12.8	11.6	12.7	15.0	4.1	0.1	2.0	-1.9	5.1	-1.3	2.3	
<b>U.S. consumption value:</b>																
Amount .....	11,997,978	10,138,475	11,839,622	11,817,862	17,324,558	16,414,341	8,560,180	9,538,913	36.8	-15.5	16.8	-0.2	46.6	-5.3	11.4	
Producers' share (1) .....	92.6	92.6	90.4	91.8	86.4	87.6	86.3	85.5	-5.1	-0.0	-2.2	1.4	-5.4	1.1	-0.8	
Importers' share (1):																
Australia .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.0	0.0	-0.0	-0.0	-0.0	
Canada .....	1.7	1.7	2.5	2.8	2.0	2.4	2.4	2.3	0.7	-0.0	0.8	0.3	-0.8	0.5	-0.1	
France .....	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	
Germany .....	0.2	0.1	0.3	0.2	0.1	0.3	0.4	0.2	0.1	-0.1	0.1	-0.1	-0.1	0.2	-0.2	
Japan .....	0.2	0.2	0.3	0.2	0.1	0.1	0.1	0.1	-0.1	-0.0	0.1	-0.1	-0.1	0.0	0.0	
Korea .....	1.2	1.2	1.0	0.7	0.9	1.7	1.8	2.2	0.6	0.0	-0.2	-0.4	0.3	0.8	0.3	
Subtotal .....	3.4	3.3	4.1	3.8	3.1	4.6	4.8	4.8	1.2	-0.1	0.8	-0.3	-0.7	1.5	0.0	
All other sources .....	4.0	4.2	5.5	4.4	10.4	7.8	8.9	9.7	3.8	0.1	1.3	-1.1	6.1	-2.6	0.8	
Total imports .....	7.4	7.4	9.6	8.2	13.6	12.4	13.7	14.5	5.1	0.0	2.2	-1.4	5.4	-1.1	0.8	
<b>U.S. imports from:</b>																
<b>Australia:</b>																
Quantity .....	220	176	275	297	119	16	16	3	-92.6	-20.0	56.1	7.8	-60.1	-86.3	-82.8	
Value .....	216	228	260	262	123	22	22	4	-89.9	5.5	14.1	0.7	-53.0	-82.3	-79.7	
Unit value .....	\$981	\$1,292	\$945	\$883	\$1,039	\$1,348	\$1,348	\$1,596	37.5	31.8	-26.9	-6.6	17.7	29.8	18.4	
Ending inventory quantity .....	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
<b>Canada:</b>																
Quantity .....	380,490	331,774	530,248	552,434	524,711	547,326	281,944	291,356	43.8	-12.8	59.8	4.2	-5.0	4.3	3.3	
Value .....	208,645	173,957	292,684	331,067	341,546	398,538	207,943	221,845	91.0	-16.6	68.3	13.1	3.2	16.7	6.7	
Unit value .....	\$548	\$524	\$552	\$599	\$651	\$728	\$738	\$761	32.8	-4.4	5.3	8.6	8.6	11.9	3.2	
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>France:</b>																
Quantity .....	3,608	9,302	15,753	6,530	4,613	1,778	1,728	190	-50.7	157.8	69.4	-58.5	-29.4	-61.5	-89.0	
Value .....	1,543	3,944	8,601	3,848	3,268	1,949	1,745	379	26.3	155.5	118.1	-55.3	-15.1	-40.4	-78.3	
Unit value .....	\$428	\$424	\$546	\$589	\$708	\$1,096	\$1,010	\$1,996	156.3	-0.9	28.8	7.9	20.3	54.7	97.6	
Ending inventory quantity .....	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
<b>Germany:</b>																
Quantity .....	46,453	23,557	53,479	34,530	31,191	75,941	48,977	20,939	63.5	-49.3	127.0	-35.4	-9.7	143.5	-57.2	
Value .....	28,221	13,955	30,585	20,312	17,999	48,634	31,540	14,718	72.3	-50.6	119.2	-33.6	-11.4	170.2	-53.3	
Unit value .....	\$608	\$592	\$572	\$588	\$577	\$640	\$644	\$703	5.4	-2.5	-3.5	2.9	-1.9	11.0	9.2	
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>Japan:</b>																
Quantity .....	27,543	17,338	24,304	18,570	19,628	16,762	8,693	11,012	-39.1	-37.1	40.2	-23.6	5.7	-14.6	26.7	
Value .....	23,072	15,273	30,092	20,206	19,464	19,054	9,959	13,684	-17.4	-33.8	97.0	-32.9	-3.7	-2.1	37.4	
Unit value .....	\$838	\$881	\$1,238	\$1,088	\$992	\$1,137	\$1,146	\$1,243	35.7	5.2	40.6	-12.1	-8.9	14.6	8.5	
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>Korea:</b>																
Quantity .....	253,528	235,041	212,413	113,810	201,002	330,858	181,205	272,592	30.5	-7.3	-9.6	-46.4	76.6	64.6	50.4	
Value .....	140,605	123,305	122,919	77,195	156,934	285,156	157,308	206,273	102.8	-12.3	-0.3	-37.2	103.3	81.7	31.1	
Unit value .....	\$555	\$525	\$579	\$678	\$781	\$862	\$868	\$757	55.4	-5.4	10.3	17.2	15.1	10.4	-12.8	
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>Subtotal:</b>																
Quantity .....	711,842	617,188	836,473	726,171	781,264	972,681	522,563	596,092	36.6	-13.3	35.5	-13.2	7.6	24.5	14.1	
Value .....	402,301	330,662	485,142	452,890	539,333	753,352	408,519	456,903	87.3	-17.8	46.7	-6.6	19.1	39.7	11.8	
Unit value .....	\$565	\$536	\$580	\$624	\$690	\$775	\$782	\$766	37.0	-5.2	8.3	7.5	10.7	12.2	-2.0	
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>All other sources:</b>																
Quantity .....	919,625	933,033	1,325,751	936,741	2,424,153	1,647,998	932,153	1,372,961	79.2	1.5	42.1	-29.3	158.8	-32.0	47.3	
Value .....	481,017	420,783	647,862	515,137	1,808,700	1,286,429	763,351	926,215	167.4	-12.5	54.0	-20.5	251.1	-28.9	21.3	
Unit value .....	\$523	\$451	\$489	\$550	\$746	\$781	\$819	\$675	49.2	-13.8	8.4	12.5	35.7	4.6	-17.6	
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>All sources:</b>																
Quantity .....	1,631,467	1,550,221	2,162,224	1,662,911	3,205,416	2,620,679	1,454,716	1,969,053	60.6	-5.0	39.5	-23.1	92.8	-18.2	35.4	
Value .....	883,318	751,445	1,133,004	968,027	2,348,033	2,039,782	1,171,870	1,383,118	130.9	-14.9	50.8	-14.6	142.6	-13.1	18.0	
Unit value .....	\$541	\$485	\$524	\$582	\$733	\$778	\$806	\$702	43.8	-10.5	8.1	11.1	25.8	6.3	-12.8	
Ending inventory quantity .....	59,018	56,126	85,214	50,224	95,595	111,759	104,022	112,265	89.4	-4.9	51.8	-41.1	90.3	16.9	7.9	

**Table C-7--Continued**  
**Corrosion-resistant steel: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006**

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)																
Item	Reported data								Period changes							
	2000	2001	2002	2003	2004	2005	January-June		2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June 2005-06	
							2005	2006								
U.S. producers:																
Average capacity quantity . . . .	26,321,105	25,698,401	26,161,576	25,663,099	26,283,125	26,280,223	13,109,626	13,615,055	-0.2	-2.4	1.8	-1.9	2.4	-0.0	3.9	
Production quantity . . . . .	21,213,322	19,537,128	21,289,304	20,455,321	22,392,513	20,889,145	10,373,291	11,573,948	-1.5	-7.9	9.0	-3.9	9.5	-6.7	11.6	
Capacity utilization (1) . . . . .	80.6	76.0	81.4	79.7	85.2	79.5	79.1	85.0	-1.1	-4.6	5.4	-1.7	5.5	-5.7	5.9	
U.S. shipments:																
Quantity . . . . .	20,317,353	18,927,836	20,517,801	20,030,450	21,807,155	20,065,664	9,999,264	11,159,578	-1.2	-6.8	8.4	-2.4	8.9	-8.0	11.6	
Value . . . . .	11,114,660	9,387,030	10,706,618	10,849,835	14,976,525	14,374,559	7,388,310	8,155,795	29.3	-15.5	14.1	1.3	38.0	-4.0	10.4	
Unit value . . . . .	\$547	\$496	\$522	\$542	\$687	\$716	\$739	\$731	31.0	-9.3	5.2	3.8	26.8	4.3	-1.1	
Export shipments:																
Quantity . . . . .	768,345	773,824	773,777	743,837	732,528	868,101	417,280	564,989	13.0	0.7	-0.0	-3.9	-1.5	18.5	35.4	
Value . . . . .	493,852	484,797	480,139	470,735	490,781	592,133	291,424	390,806	19.9	-1.8	-1.0	-2.0	4.3	20.7	34.1	
Unit value . . . . .	\$643	\$626	\$621	\$633	\$670	\$682	\$698	\$692	6.1	-2.5	-1.0	2.0	5.9	1.8	-1.0	
Ending inventory quantity . . . .	2,086,296	1,900,994	1,939,320	1,855,669	1,745,399	1,701,618	1,682,752	1,543,810	-18.4	-8.9	2.0	-4.3	-5.9	-2.5	-8.3	
Inventories/total shipments (1) . .	9.9	9.6	9.1	8.9	7.7	8.1	8.1	6.6	-1.8	-0.2	-0.5	-0.2	-1.2	0.4	-1.5	
Production workers . . . . .	24,546	24,568	20,868	15,211	13,999	13,348	13,248	12,765	-45.6	0.1	-15.1	-27.1	-8.0	-4.7	-3.6	
Hours worked (1,000s) . . . . .	50,757	44,888	41,018	32,512	31,531	29,927	15,071	15,368	-41.0	-11.6	-8.6	-20.7	-3.0	-5.1	2.0	
Wages paid (\$1,000s) . . . . .	1,351,324	1,239,246	1,169,095	953,944	1,006,506	960,111	496,212	482,091	-29.0	-8.3	-5.7	-18.4	5.5	-4.6	-2.8	
Hourly wages . . . . .	\$26.50	\$27.43	\$28.27	\$29.06	\$31.56	\$31.70	\$32.54	\$30.99	19.7	3.5	3.1	2.8	8.6	0.4	-4.8	
Productivity (tons/1,000 hours) . . .	410.1	424.8	506.3	613.4	692.7	681.0	670.2	730.6	66.1	3.6	19.2	21.2	12.9	-1.7	9.0	
Unit labor costs . . . . .	\$63.83	\$63.55	\$55.01	\$46.72	\$45.03	\$46.06	\$47.96	\$41.74	-27.9	-0.4	-13.4	-15.1	-3.6	2.3	-13.0	
Net sales:																
Quantity . . . . .	20,141,105	19,629,769	20,954,676	19,537,241	22,276,759	20,679,606	10,283,775	11,534,931	2.7	-2.5	6.7	-6.8	14.0	-7.2	12.2	
Value . . . . .	11,091,856	9,797,243	10,989,071	10,474,476	15,186,936	14,712,596	7,577,331	8,392,791	32.6	-11.7	12.2	-4.7	45.0	-3.1	10.8	
Unit value . . . . .	\$551	\$499	\$524	\$536	\$682	\$711	\$737	\$728	29.2	-9.4	5.1	2.2	27.2	4.4	-1.3	
Cost of goods sold (COGS) . . . .	10,514,307	9,868,736	10,726,907	9,911,144	13,047,722	13,466,769	6,734,611	7,706,522	28.1	-6.1	8.7	-7.6	31.6	3.2	14.4	
Gross profit or (loss) . . . . .	577,549	(71,493)	262,164	563,332	2,139,214	1,245,827	842,720	686,269	115.7	(3)	(3)	114.9	279.7	-41.8	-18.6	
SG&A expenses . . . . .	425,968	413,626	435,988	489,043	494,894	528,038	263,114	253,582	24.0	-2.9	5.4	12.2	1.2	6.7	-3.6	
Operating income or (loss) . . . .	151,581	(485,119)	(173,824)	74,289	1,644,320	717,789	579,606	432,687	373.5	(3)	64.2	(3)	2,113.4	-56.3	-25.3	
Capital expenditures . . . . .	295,331	147,966	123,107	256,994	243,622	428,147	175,737	153,316	45.0	-49.9	-16.8	108.8	-5.2	75.7	-12.8	
Unit COGS . . . . .	\$522	\$503	\$512	\$507	\$586	\$651	\$655	\$668	24.7	-3.7	1.8	-0.9	15.5	11.2	2.0	
Unit SG&A expenses . . . . .	\$21	\$21	\$21	\$25	\$22	\$26	\$26	\$22	20.7	-0.4	-1.3	20.3	-11.2	14.9	-14.1	
Unit operating income or (loss) . . .	\$8	(\$25)	(\$8)	\$4	\$74	\$35	\$56	\$38	361.2	(3)	66.4	(3)	1,841.2	-53.0	-33.4	
COGS/sales (1) . . . . .	94.8	100.7	97.6	94.6	85.9	91.5	88.9	91.8	-3.3	5.9	-3.1	-3.0	-8.7	5.6	2.9	
Operating income or (loss)/ sales (1) . . . . .	1.4	(5.0)	(1.6)	0.7	10.8	4.9	7.6	5.2	3.5	-6.3	3.4	2.3	10.1	-5.9	-2.5	

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown.  
Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.



Table C-8

Corrosion-resistant (including micro-alloy) steel: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)															
Item	Reported data							Period changes							
	2000	2001	2002	2003	2004	2005	January-June 2005 2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Jan.-June 2005-06
U.S. consumption quantity:															
Amount .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1) .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Australia .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Canada .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
France .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Germany .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Japan .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Korea .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:															
Amount .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1) .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Australia .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Canada .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
France .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Germany .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Japan .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Korea .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports from:															
Australia:															
Quantity .....	220	176	275	297	119	16	16	3	-92.6	-20.0	56.1	7.8	-60.1	-86.3	-82.8
Value .....	216	228	260	262	123	22	22	4	-89.9	5.5	14.1	0.7	-53.0	-82.3	-79.7
Unit value .....	\$981	\$1,292	\$945	\$883	\$1,039	\$1,348	\$1,348	\$1,596	37.5	31.8	-26.9	-6.6	17.7	29.8	18.4
Ending inventory quantity .....	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Canada:															
Quantity .....	380,490	331,774	530,248	552,434	524,711	547,326	281,944	291,356	43.8	-12.8	59.8	4.2	-5.0	4.3	3.3
Value .....	208,645	173,957	292,684	331,067	341,546	398,538	207,943	221,845	91.0	-16.6	68.3	13.1	3.2	16.7	6.7
Unit value .....	\$548	\$524	\$552	\$599	\$651	\$728	\$738	\$761	32.8	-4.4	5.3	8.6	8.6	11.9	3.2
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
France:															
Quantity .....	3,608	9,302	15,753	6,530	4,613	1,778	1,728	190	-50.7	157.8	69.4	-58.5	-29.4	-61.5	-89.0
Value .....	1,543	3,944	8,601	3,848	3,268	1,949	1,745	379	26.3	155.5	118.1	-55.3	-15.1	-40.4	-78.3
Unit value .....	\$428	\$424	\$546	\$589	\$708	\$1,096	\$1,010	\$1,996	156.3	-0.9	28.8	7.9	20.3	54.7	97.6
Ending inventory quantity .....	0	0	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Germany:															
Quantity .....	46,453	23,557	53,479	34,530	31,191	75,941	48,977	20,939	63.5	-49.3	127.0	-35.4	-9.7	143.5	-57.2
Value .....	28,221	13,955	30,585	20,312	17,999	48,634	31,540	14,718	72.3	-50.6	119.2	-33.6	-11.4	170.2	-53.3
Unit value .....	\$608	\$592	\$572	\$588	\$577	\$640	\$644	\$703	5.4	-2.5	-3.5	2.9	-1.9	11.0	9.2
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Japan:															
Quantity .....	27,543	17,338	24,304	18,570	19,628	16,762	8,693	11,012	-39.1	-37.1	40.2	-23.6	5.7	-14.6	26.7
Value .....	23,072	15,273	30,092	20,206	19,464	19,054	9,959	13,684	-17.4	-33.8	97.0	-32.9	-3.7	-2.1	37.4
Unit value .....	\$838	\$881	\$1,238	\$1,088	\$992	\$1,137	\$1,146	\$1,243	35.7	5.2	40.6	-12.1	-8.9	14.6	8.5
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Korea:															
Quantity .....	253,528	235,041	212,413	113,810	201,002	330,858	181,205	272,592	30.5	-7.3	-9.6	-46.4	76.6	64.6	50.4
Value .....	140,605	123,305	122,919	77,195	156,934	285,156	157,308	206,273	102.8	-12.3	-0.3	-37.2	103.3	81.7	31.1
Unit value .....	\$555	\$525	\$579	\$678	\$781	\$862	\$868	\$757	55.4	-5.4	10.3	17.2	15.1	10.4	-12.8
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal:															
Quantity .....	711,842	617,188	836,473	726,171	781,264	972,681	522,563	596,092	36.6	-13.3	35.5	-13.2	7.6	24.5	14.1
Value .....	402,301	330,662	485,142	452,890	539,333	753,352	408,519	456,903	87.3	-17.8	46.7	-6.6	19.1	39.7	11.8
Unit value .....	\$565	\$536	\$580	\$624	\$690	\$775	\$782	\$766	37.0	-5.2	8.3	7.5	10.7	12.2	-2.0
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:															
Quantity .....	1,338,019	1,111,926	1,670,274	1,208,461	2,691,600	1,967,511	1,100,135	1,548,218	47.0	-16.9	50.2	-27.6	122.7	-26.9	40.7
Value .....	709,640	511,795	820,429	650,772	1,954,047	1,499,762	874,308	1,049,709	111.3	-27.9	60.3	-20.7	200.3	-23.2	20.1
Unit value .....	\$530	\$460	\$491	\$539	\$726	\$762	\$795	\$678	43.7	-13.2	6.7	9.6	34.8	5.0	-14.7
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All sources:															
Quantity .....	2,049,861	1,729,114	2,506,747	1,934,631	3,472,863	2,940,192	1,622,698	2,144,310	43.4	-15.6	45.0	-22.8	79.5	-15.3	32.1
Value .....	1,111,941	842,457	1,305,571	1,103,662	2,493,380	2,253,115	1,282,827	1,506,612	102.6	-24.2	55.0	-15.5	125.9	-9.6	17.4
Unit value .....	\$542	\$487	\$521	\$570	\$718	\$768	\$791	\$703	41.3	-10.2	6.9	9.5	25.9	6.7	-11.1
Ending inventory quantity .....	193,053	134,946	153,321	105,416	144,771	167,208	169,435	146,115	-13.4	-30.1	13.6	-31.2	37.3	15.5	-13.8

**Table C-8--Continued**  
**Corrosion-resistant (including micro-alloy) steel: Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006**

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)																
	Reported data						Period changes									
Item	2000	2001	2002	2003	2004	2005	January-June		2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June 2005-06	
							2005	2006								
U.S. producers:																
Average capacity quantity . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Production quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Capacity utilization (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
U.S. shipments:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Export shipments:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Ending inventory quantity . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Inventories/total shipments (1) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Production workers . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Hours worked (1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Wages paid (\$1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Hourly wages . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Productivity (tons/1,000 hours) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit labor costs . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Net sales:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Cost of goods sold (COGS) . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Gross profit or (loss) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Operating income or (loss) . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Capital expenditures . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit COGS . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit operating income or (loss) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
COGS/sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Operating income or (loss)/ sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	

(1) "Reported data" are in percent and "period changes" are in percentage points.  
(2) Not applicable.  
(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-9

Corrosion-resistant steel (including nonrelated tolling): Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)																
	Reported data						January-June		Period changes							Jan.-June
Item	2000	2001	2002	2003	2004	2005	2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	
U.S. consumption quantity:																
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Importers' share (1):																
Australia	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Canada	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
France	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Germany	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Japan	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Korea	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
U.S. consumption value:																
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Importers' share (1):																
Australia	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Canada	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
France	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Germany	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Japan	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Korea	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
U.S. imports from:																
Australia:																
Quantity	220	176	275	297	119	16	16	3	-92.6	-20.0	56.1	7.8	-60.1	-86.3	-82.8	
Value	216	228	260	262	123	22	22	4	-89.9	5.5	14.1	0.7	-53.0	-82.3	-79.7	
Unit value	\$981	\$1,292	\$945	\$883	\$1,039	\$1,348	\$1,348	\$1,596	37.5	31.8	-26.9	-6.6	17.7	29.8	18.4	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Canada:																
Quantity	380,490	331,774	530,248	552,434	524,711	547,326	281,944	291,356	43.8	-12.8	59.8	4.2	-5.0	4.3	3.3	
Value	208,645	173,957	292,684	331,067	341,546	398,538	207,943	221,845	91.0	-16.6	68.3	13.1	3.2	16.7	6.7	
Unit value	\$548	\$524	\$552	\$599	\$651	\$728	\$738	\$761	32.8	-4.4	5.3	8.6	8.6	11.9	3.2	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
France:																
Quantity	3,608	9,302	15,753	6,530	4,613	1,778	1,728	190	-50.7	157.8	69.4	-58.5	-29.4	-61.5	-89.0	
Value	1,543	3,944	8,601	3,848	3,268	1,949	1,745	379	26.3	155.5	118.1	-55.3	-15.1	-40.4	-78.3	
Unit value	\$428	\$424	\$546	\$589	\$708	\$1,096	\$1,010	\$1,996	156.3	-0.9	28.8	7.9	20.3	54.7	97.6	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Germany:																
Quantity	46,453	23,557	53,479	34,530	31,191	75,941	48,977	20,939	63.5	-49.3	127.0	-35.4	-9.7	143.5	-57.2	
Value	28,221	13,955	30,585	20,312	17,999	48,634	31,540	14,718	72.3	-50.6	119.2	-33.6	-11.4	170.2	-53.3	
Unit value	\$608	\$592	\$572	\$588	\$577	\$640	\$644	\$703	5.4	-2.5	-3.5	2.9	-1.9	11.0	9.2	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Japan:																
Quantity	27,543	17,338	24,304	18,570	19,628	16,762	8,693	11,012	-39.1	-37.1	40.2	-23.6	5.7	-14.6	26.7	
Value	23,072	15,273	30,092	20,206	19,464	19,054	9,959	13,684	-17.4	-33.8	97.0	-32.9	-3.7	-2.1	37.4	
Unit value	\$838	\$881	\$1,238	\$1,088	\$992	\$1,137	\$1,146	\$1,243	35.7	5.2	40.6	-12.1	-8.9	14.6	8.5	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Korea:																
Quantity	253,528	235,041	212,413	113,810	201,002	330,858	181,205	272,592	30.5	-7.3	-9.6	-46.4	76.6	64.6	50.4	
Value	140,605	123,305	122,919	77,195	156,934	285,156	157,308	206,273	102.8	-12.3	-0.3	-37.2	103.3	81.7	31.1	
Unit value	\$555	\$525	\$579	\$678	\$781	\$862	\$868	\$757	55.4	-5.4	10.3	17.2	15.1	10.4	-12.8	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Subtotal:																
Quantity	711,842	617,188	836,473	726,171	781,264	972,681	522,563	596,092	36.6	-13.3	35.5	-13.2	7.6	24.5	14.1	
Value	402,301	330,662	485,142	452,890	539,333	753,352	408,519	456,903	87.3	-17.8	46.7	-6.6	19.1	39.7	11.8	
Unit value	\$565	\$536	\$580	\$624	\$690	\$775	\$782	\$766	37.0	-5.2	8.3	7.5	10.7	12.2	-2.0	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
All other sources:																
Quantity	919,625	933,033	1,325,751	936,741	2,424,153	1,647,998	932,153	1,372,961	79.2	1.5	42.1	-29.3	158.8	-32.0	47.3	
Value	481,017	420,783	647,862	515,137	1,808,700	1,286,429	763,351	926,215	167.4	-12.5	54.0	-20.5	251.1	-28.9	21.3	
Unit value	\$523	\$451	\$489	\$550	\$746	\$781	\$819	\$675	49.2	-13.8	8.4	12.5	35.7	4.6	-17.6	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
All sources:																
Quantity	1,631,467	1,550,221	2,162,224	1,662,911	3,205,416	2,620,679	1,454,716	1,969,053	60.6	-5.0	39.5	-23.1	92.8	-18.2	35.4	
Value	883,318	751,445	1,133,004	968,027	2,348,033	2,039,782	1,171,870	1,383,118	130.9	-14.9	50.8	-14.6	142.6	-13.1	18.0	
Unit value	\$541	\$485	\$524	\$582	\$733	\$778	\$806	\$702	43.8	-10.5	8.1	11.1	25.8	6.3	-12.8	
Ending inventory quantity	59,018	56,126	85,214	50,224	95,595	111,759	104,022	112,265	89.4	-4.9	51.8	-41.1	90.3	16.9	7.9	

**Table C-9--Continued**  
**Corrosion-resistant steel (including nonrelated tolling): Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006**

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)																
Item	Reported data						January-June		Period changes							
	2000	2001	2002	2003	2004	2005	2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Jan.-June
U.S. producers':																
Average capacity quantity . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (tons/1,000 hours) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS) . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss) . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.  
(2) Not applicable.  
(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures. National Galvanizing was the only nonrelated (not jointly owned) toll producer to provide consistent data. Data for joint venture tolling operations that tolled for related U.S. mills are already included in tables C-7 and C-8.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-10

Corrosion-resistant steel (including micro-alloy and nonrelated tolling): Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)																
Item	Reported data						January-June		Period changes							Jan.-June 2005-06
	2000	2001	2002	2003	2004	2005	2005	2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05		
U.S. consumption quantity:																
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):																
Australia	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Canada	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
France	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:																
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):																
Australia	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Canada	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
France	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports from:																
Australia:																
Quantity	220	176	275	297	119	16	16	3	-92.6	-20.0	56.1	7.8	-60.1	-86.3	-82.8	
Value	216	228	260	262	123	22	22	4	-89.9	5.5	14.1	0.7	-53.0	-82.3	-79.7	
Unit value	\$981	\$1,292	\$945	\$883	\$1,039	\$1,348	\$1,348	\$1,596	37.5	31.8	-26.9	-6.6	17.7	29.8	18.4	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Canada:																
Quantity	380,490	331,774	530,248	552,434	524,711	547,326	281,944	291,356	43.8	-12.8	59.8	4.2	-5.0	4.3	3.3	
Value	208,645	173,957	292,684	331,067	341,546	398,538	207,943	221,845	91.0	-16.6	68.3	13.1	3.2	16.7	6.7	
Unit value	\$548	\$524	\$552	\$599	\$651	\$728	\$738	\$761	32.8	-4.4	5.3	8.6	8.6	11.9	3.2	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
France:																
Quantity	3,608	9,302	15,753	6,530	4,613	1,778	1,728	190	-50.7	157.8	69.4	-58.5	-29.4	-61.5	-89.0	
Value	1,543	3,944	8,601	3,848	3,268	1,949	1,745	379	26.3	155.5	118.1	-55.3	-15.1	-40.4	-78.3	
Unit value	\$428	\$424	\$546	\$589	\$708	\$1,096	\$1,010	\$1,996	156.3	-0.9	28.8	7.9	20.3	54.7	97.6	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Germany:																
Quantity	46,453	23,557	53,479	34,530	31,191	75,941	48,977	20,939	63.5	-49.3	127.0	-35.4	-9.7	143.5	-57.2	
Value	28,221	13,955	30,585	20,312	17,999	48,634	31,540	14,718	72.3	-50.6	119.2	-33.6	-11.4	170.2	-53.3	
Unit value	\$608	\$592	\$572	\$588	\$577	\$640	\$644	\$703	5.4	-2.5	-3.5	2.9	-1.9	11.0	9.2	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Japan:																
Quantity	27,543	17,338	24,304	18,570	19,628	16,762	8,693	11,012	-39.1	-37.1	40.2	-23.6	5.7	-14.6	26.7	
Value	23,072	15,273	30,092	20,206	19,464	19,054	9,959	13,684	-17.4	-33.8	97.0	-32.9	-3.7	-2.1	37.4	
Unit value	\$838	\$881	\$1,238	\$1,088	\$992	\$1,137	\$1,146	\$1,243	35.7	5.2	40.6	-12.1	-8.9	14.6	8.5	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Korea:																
Quantity	253,528	235,041	212,413	113,810	201,002	330,858	181,205	272,592	30.5	-7.3	-9.6	-46.4	76.6	64.6	50.4	
Value	140,605	123,305	122,919	77,195	156,934	285,156	157,308	206,273	102.8	-12.3	-0.3	-37.2	103.3	81.7	31.1	
Unit value	\$555	\$525	\$579	\$678	\$781	\$862	\$868	\$757	55.4	-5.4	10.3	17.2	15.1	10.4	-12.8	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal:																
Quantity	711,842	617,188	836,473	726,171	781,264	972,681	522,563	596,092	36.6	-13.3	35.5	-13.2	7.6	24.5	14.1	
Value	402,301	330,662	485,142	452,890	539,333	753,352	408,519	456,903	87.3	-17.8	46.7	-6.6	19.1	39.7	11.8	
Unit value	\$565	\$536	\$580	\$624	\$690	\$775	\$782	\$766	37.0	-5.2	8.3	7.5	10.7	12.2	-2.0	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:																
Quantity	1,338,019	1,111,926	1,670,274	1,208,461	2,691,600	1,967,511	1,100,135	1,548,218	47.0	-16.9	50.2	-27.6	122.7	-26.9	40.7	
Value	709,640	511,795	820,429	650,772	1,954,047	1,499,762	874,308	1,049,709	111.3	-27.9	60.3	-20.7	200.3	-23.2	20.1	
Unit value	\$530	\$460	\$491	\$539	\$726	\$762	\$795	\$678	43.7	-13.2	6.7	9.6	34.8	5.0	-14.7	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All sources:																
Quantity	2,049,861	1,729,114	2,506,747	1,934,631	3,472,863	2,940,192	1,622,698	2,144,310	43.4	-15.6	45.0	-22.8	79.5	-15.3	32.1	
Value	1,111,941	842,457	1,305,571	1,103,662	2,493,380	2,253,115	1,282,827	1,506,612	102.6	-24.2	55.0	-15.5	125.9	-9.6	17.4	
Unit value	\$542	\$487	\$521	\$570	\$718	\$766	\$791	\$703	41.3	-10.2	6.9	9.5	25.9	6.7	-11.1	
Ending inventory quantity	193,053	134,946	153,321	105,416	144,771	167,208	169,435	146,115	-13.4	-30.1	13.6	-31.2	37.3	15.5	-13.8	

**Table C-10--Continued**  
**Corrosion-resistant steel (including micro-alloy and nonrelated tolling): Summary data concerning the U.S. market, 2000-05, January-June 2005, and January-June 2006**

	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)															
	Reported data							Period changes								
Item	2000	2001	2002	2003	2004	2005	January-June		2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-June 2005-06	
							2005	2006								
U.S. producers:																
Average capacity quantity . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Production quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Capacity utilization (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
U.S. shipments:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Export shipments:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Ending inventory quantity . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Inventories/total shipments (1) . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Production workers . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Hours worked (1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Wages paid (\$1,000s) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Hourly wages . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Productivity (tons/1,000 hours) . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit labor costs . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Net sales:																
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Cost of goods sold (COGS) . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Gross profit or (loss) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Operating income or (loss) . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Capital expenditures . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit COGS . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit SG&A expenses . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit operating income or (loss) . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
COGS/sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Operating income or (loss)/ sales (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	

(1) "Reported data" are in percent and "period changes" are in percentage points.  
(2) Not applicable.  
(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures. National Galvanizing was the only nonrelated (not jointly owned) toll producer to provide consistent data. Data for joint venture tolling operations that tolled for related U.S. mills are already included in tables C-7 and C-8.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

## **APPENDIX D**

### **TREATMENT OF CTL PLATE AND CORROSION-RESISTANT STEEL IN THE HTSUS**





# Harmonized Tariff Schedule of the United States (2006) – Supplement 1 (Rev. 1)

Annotated for Statistical Reporting Purposes

XV  
72-13

Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
7208		Flat-rolled products of iron or nonalloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated:				
7208.10		In coils, not further worked than hot-rolled, with patterns in relief:				
7208.10.15	00	Pickled . . . . .	kg . . . . .	Free		0.4¢/kg + 20%
		Other:				
7208.10.30	00	Of a thickness of 4.75 mm or more . . . . .	kg . . . . .	Free		20%
7208.10.60	00	Of a thickness of less than 4.75 mm . . . . .	kg . . . . .	Free		20%
		Other, in coils, not further worked than hot-rolled, pickled:				
7208.25		Of a thickness of 4.75 mm or more:				
7208.25.30	00	Of high-strength steel . . . . .	kg . . . . .	Free		20%
7208.25.60	00	Other . . . . .	kg . . . . .	Free		0.4¢/kg + 20%
7208.26.00		Of a thickness of 3 mm or more but less than 4.75 mm . . . . .		Free		0.4¢/kg + 20%
	30	High-strength steel . . . . .	kg			
	60	Other . . . . .	kg			
7208.27.00		Of a thickness of less than 3 mm . . . . .		Free		0.4¢/kg + 20%
	30	High-strength steel . . . . .	kg			
	60	Other . . . . .	kg			
7208.36.00		Other, in coils, not further worked than hot-rolled:				
		Of a thickness exceeding 10 mm . . . . .		Free		20%
	30	High-strength steel . . . . .	kg			
	60	Other . . . . .	kg			
7208.37.00		Of a thickness of 4.75 mm or more but not exceeding 10 mm . . . . .		Free		20%
	30	High-strength steel . . . . .	kg			
	60	Other . . . . .	kg			
7208.38.00		Of a thickness of 3 mm or more but less than 4.75 mm . . . . .		Free		20%
	15	High-strength steel . . . . .	kg			
		Other:				
	30	With untrimmed edges . . . . .	kg			
	90	Other . . . . .	kg			
7208.39.00		Of a thickness of less than 3 mm . . . . .		Free		20%
	15	High-strength steel . . . . .	kg			
		Other:				
	30	With untrimmed edges . . . . .	kg			
	90	Other . . . . .	kg			
7208.40		Not in coils, not further worked than hot-rolled, with patterns in relief:				
7208.40.30		Of a thickness of 4.75 mm or more . . . . .		Free		20%
	30	Of a thickness exceeding 10 mm . . . . .	kg			
	60	Other . . . . .	kg			
7208.40.60		Of a thickness of less than 4.75 mm . . . . .		Free		20%
	30	Of a thickness less than 3 mm . . . . .	kg			
	60	Other . . . . .	kg			
7208.51.00		Other, not in coils, not further worked than hot-rolled:				
		Of a thickness exceeding 10 mm . . . . .		Free		20%
	30	Universal mill plate . . . . .	kg			
		Other:				
	45	Of high-strength steel . . . . .	kg			
	60	Other . . . . .	kg			
7208.52.00	00	Of a thickness of 4.75 mm or more but not exceeding 10 mm . . . . .	kg . . . . .	Free		20%
7208.53.00	00	Of a thickness of 3 mm or more but less than 4.75 mm . . . . .	kg . . . . .	Free		20%
7208.54.00	00	Of a thickness of less than 3 mm . . . . .	kg . . . . .	Free		20%
7208.90.00	00	Other . . . . .	kg . . . . .	Free		20%

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Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
7210		Flat-rolled products of iron or nonalloy steel, of a width of 600 mm or more, clad, plated or coated:				
		Plated or coated with tin:				
7210.11.00	00	Of a thickness of 0.5 mm or more . . . . .	kg . . . . .	Free		6%
7210.12.00	00	Of a thickness of less than 0.5 mm . . . . .	kg . . . . .	Free		6%
7210.20.00	00	Plated or coated with lead, including terne-plate . . . . .	kg . . . . .	Free		6%
7210.30.00		Electrolytically plated or coated with zinc . . . . .		Free		21.5%
	30	Of high-strength steel . . . . .	kg			
	60	Other . . . . .	kg			
		Otherwise plated or coated with zinc:				
7210.41.00	00	Corrugated . . . . .	kg . . . . .	Free		21.5%
7210.49.00		Other . . . . .		Free		21.5%
	30	Of high-strength steel . . . . .	kg			
	90	Other . . . . .	kg			
7210.50.00	00	Plated or coated with chromium oxides or with chromium and chromium oxides . . . . .	kg . . . . .	Free		45%
		Plated or coated with aluminum:				
7210.61.00	00	Plated or coated with aluminum-zinc alloys . . . . .	kg . . . . .	Free		21.5%
7210.69.00	00	Other . . . . .	kg . . . . .	Free		21.5%
7210.70		Painted, varnished or coated with plastics:				
7210.70.30	00	Not coated or plated with metal and not clad . . . . .	kg . . . . .	Free		0.4¢/kg + 20%
7210.70.60		Other . . . . .		Free		21.5%
		Zinc coated or plated:				
	30	Electrolytically coated or plated . . . . .	kg			
	60	Other . . . . .	kg			
	90	Other . . . . .	kg			
7210.90		Other:				
7210.90.10	00	Clad . . . . .	kg . . . . .	Free		30%
		Other:				
7210.90.60	00	Electrolytically coated or plated with base metal . . . . .	kg . . . . .	Free		45%
7210.90.90	00	Other . . . . .	kg . . . . .	Free		21.5%

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Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
7211		Flat-rolled products of iron or nonalloy steel, of a width of less than 600 mm, not clad, plated or coated: Not further worked than hot-rolled:				
7211.13.00	00	Universal mill plate .....	kg .....	Free		20%
7211.14.00		Other, of a thickness of 4.75 mm or more .....		Free		20%
	30	Of high-strength steel .....	kg .....			
	45	Other:				
	90	Not in coils .....	kg .....			
7211.19		Other:				
		Of a width of less than 300 mm:				
7211.19.15	00	Of high-strength steel .....	kg .....	Free		25%
		Other:				
7211.19.20	00	Of a thickness exceeding 1.25 mm .....	kg .....	Free		25%
7211.19.30	00	Other .....	kg .....	Free		25%
		Other:				
7211.19.45	00	Of high-strength steel .....	kg .....	Free		20%
		Other:				
7211.19.60	00	Pickled .....	kg .....	Free		0.4¢/kg + 20%
7211.19.75		Other .....		Free		20%
		In coils:				
	30	With untrimmed edges .....	kg .....			
	60	Other .....	kg .....			
	90	Other .....	kg .....			
7211.23		Not further worked than cold-rolled (cold-reduced): Containing by weight less than 0.25 percent of carbon:				
		Of a width of less than 300 mm:				
		Of a thickness exceeding 1.25 mm:				
7211.23.15	00	Of high-strength steel .....	kg .....	Free		25%
7211.23.20	00	Other .....	kg .....	Free		25%
7211.23.30	00	Of a thickness exceeding 0.25 mm but not exceeding 1.25 mm .....	kg .....	Free		25%
7211.23.45	00	Of a thickness not exceeding 0.25 mm .....	kg .....	Free		25%
7211.23.60		Other .....		Free		0.4¢/kg + 20%
	30	Of a thickness exceeding 1.25 mm .....	kg .....			
	60	Of a thickness exceeding 0.25 mm but not exceeding 1.25 mm .....	kg .....			
		Of a thickness not exceeding 0.25 mm:				
		Of a kind for use in making aperture masks for cathode-ray tube video displays .....	kg .....			
	85	Other .....	kg .....			
7211.29		Other:				
		Of a width of less than 300 mm:				
		Of a thickness exceeding 0.25 mm .....		Free		25%
7211.29.20		Of a width less than 51 mm, in coils .....	kg .....			
	30	Other .....	kg .....			
7211.29.45	00	Other .....	kg .....	Free		25%
7211.29.60		Other .....		Free		0.4¢/kg + 20%
	30	Of a thickness exceeding 1.25 mm .....	kg .....			
	80	Other .....	kg .....			
7211.90.00	00	Other .....	kg .....	Free		20%

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				1		2
				General	Special	
7212		Flat-rolled products of iron or nonalloy steel, of a width of less than 600 mm, clad, plated or coated:				
7212.10.00	00	Plated or coated with tin . . . . .	kg . . . . .	Free		6%
7212.20.00	00	Electrolytically plated or coated with zinc . . . . .	kg . . . . .	Free		21.5%
7212.30		Otherwise plated or coated with zinc:				
		Of a width of less than 300 mm:				
7212.30.10		Of a thickness exceeding 0.25 mm or more . . . . .		Free		25%
	30	Of a width less than 51 mm, in coils . . . . .	kg			
	90	Other . . . . .	kg			
7212.30.30	00	Other . . . . .	kg . . . . .	Free		25%
7212.30.50	00	Other . . . . .	kg . . . . .	Free		21.5%
7212.40		Painted, varnished or coated with plastics:				
7212.40.10	00	Of a width of less than 300 mm . . . . .	kg . . . . .	Free		25%
7212.40.50	00	Other . . . . .	kg . . . . .	Free		0.4¢/kg + 20%
7212.50.00	00	Otherwise plated or coated . . . . .	kg . . . . .	Free		21.5%
7212.60.00	00	Clad . . . . .	kg . . . . .	Free		30%

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Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
7214		Other bars and rods of iron or nonalloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling:				
7214.10.00	00	Forged .....	kg .....	Free		20%
7214.20.00	00	Concrete reinforcing bars and rods .....	kg .....	Free		20%
7214.30.00		Other, of free-cutting steel .....		Free		20%
	10	Containing by weight 0.1% or more of lead .....	kg			
	80	Other .....	kg			
7214.91.00		Other:				
		Of rectangular (other than square) cross-section .....		Free		20%
	15	Containing by weight less than 0.25 percent of carbon .....	kg			
	60	Containing by weight 0.25 percent or more but less than 0.6 percent of carbon .....	kg			
	90	Containing by weight more than 0.6 percent of carbon .....	kg			
7214.99.00		Other .....		Free		20%
		Rounds:				
	15	Containing by weight less than 0.25 percent of carbon .....	kg			
	30	Containing by weight 0.25 percent or more but less than 0.6 percent of carbon .....	kg			
	45	Containing by weight more than 0.6 percent of carbon .....	kg			
		Other:				
	60	Containing by weight less than 0.25 percent of carbon .....	kg			
	75	Containing by weight 0.25 percent or more but less than 0.6 percent of carbon .....	kg			
	90	Containing by weight more than 0.6 percent of carbon .....	kg			
7215		Other bars and rods of iron or nonalloy steel:				
7215.10.00		Of free-cutting steel, not further worked than cold-formed or cold-finished .....		Free		0.3¢/kg + 20%
	10	Containing by weight 0.1% or more of lead .....	kg			
	80	Other .....	kg			
7215.50.00		Other, not further worked than cold-formed or cold-finished .....		Free		0.3¢/kg + 20%
	15	Containing by weight less than 0.25 percent of carbon .....	kg			
	60	Containing by weight 0.25 percent or more but less than 0.6 percent of carbon .....	kg			
	90	Containing by weight more than 0.6 percent of carbon .....	kg			
7215.90		Other:				
		Plated or coated with metal:				
7215.90.10	00	Not cold-formed .....	kg .....	Free		0.4¢/kg + 20%
7215.90.30	00	Cold-formed .....	kg .....	Free		0.3¢/kg + 20%
7215.90.50	00	Other .....	kg .....	Free		0.3¢/kg + 20%

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Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
7217 (con.)		Wire of iron or nonalloy steel (con.):				
7217.20		Plated or coated with zinc:				
7217.20.15	00	Flat wire . . . . .	kg . . . . .	Free		26%
7217.20.30	00	Round wire:				
		With a diameter of 1.5 mm or more and con- taining by weight less than 0.25 percent of carbon . . . . .	kg . . . . .	Free		7%
7217.20.45		Other . . . . .		Free		25%
	10	With a diameter of less than 1.0 mm: Containing by weight less than 0.25 percent of carbon . . . . .	kg			
	20	Containing by weight 0.25 percent or more but less than 0.6 percent of carbon . . . . .	kg			
	30	Containing by weight 0.6 percent or more of carbon . . . . .	kg			
	40	With a diameter of 1.0 mm or more but less than 1.5 mm: Containing by weight less than 0.25 percent of carbon . . . . .	kg			
	50	Containing by weight 0.25 percent or more but less than 0.6 percent of carbon . . . . .	kg			
	60	Containing by weight 0.6 percent or more of carbon . . . . .	kg			
	70	With a diameter of 1.5 mm or more: Containing by weight 0.25 percent or more but less than 0.6 percent of carbon . . . . .	kg			
	80	Containing by weight 0.6 percent or more of carbon . . . . .	kg			
7217.20.60	00	Other: Containing by weight less than 0.25 percent of carbon . . . . .	kg . . . . .	Free		25%
7217.20.75	00	Other . . . . .	kg . . . . .	Free		26%

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Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
7217 (con.)		Wire of iron or nonalloy steel (con.):				
7217.30		Plated or coated with other base metals:				
7217.30.15		Flat wire . . . . .		Free		26%
	30	Containing by weight 0.6 percent or more of carbon . . . . .	kg			
	60	Other . . . . .	kg			
7217.30.30	00	Round wire:				
		With a diameter of 1.5 mm or more and containing by weight less than 0.25 percent of carbon . . . . .	kg	Free		7%
7217.30.45		Other . . . . .		Free		25%
	04	Containing by weight less than 0.20 percent of carbon, and suitable for electric arc welding . . . . .	kg			
		Other:				
	11	With a diameter of less than 1.0 mm: Containing by weight less than 0.25 percent of carbon . . . . .	kg			
	20	Containing by weight 0.25 percent or more but less than 0.6 percent of carbon . . . . .	kg			
	30	Containing by weight 0.6 percent or more of carbon . . . . .	kg			
	41	With a diameter of 1.0 mm or more but less than 1.5 mm: Containing by weight less than 0.25 percent of carbon . . . . .	kg			
	50	Containing by weight 0.25 percent or more but less than 0.6 percent of carbon . . . . .	kg			
	60	Containing by weight 0.6 percent or more of carbon . . . . .	kg			
	90	With a diameter of 1.5 mm or more . . . . .	kg			
7217.30.60	00	Other: Containing by weight less than 0.25 percent of carbon . . . . .	kg	Free		25%
7217.30.75	00	Other . . . . .	kg	Free		26%
7217.90		Other:				
7217.90.10	00	Coated with plastics . . . . .	kg	Free		2%
7217.90.50		Other . . . . .		Free		35%
	30	Containing by weight less than 0.25 percent of carbon . . . . .	kg			
	60	Containing by weight 0.25 percent or more but less than 0.6 percent of carbon . . . . .	kg			
	90	Containing by weight 0.6 percent or more of carbon . . . . .	kg			

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Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
		<b>IV. OTHER ALLOY STEEL; HOLLOW DRILL BARS AND RODS, OF ALLOY OR NONALLOY STEEL</b>				
7224		Other alloy steel in ingots or other primary forms; semi-finished products of other alloy steel:				
7224.10.00		Ingots and other primary forms . . . . .	kg	Free		28%
	05	Of high-nickel alloy steel . . . . .	kg			
		Other:				
	45	Of tool steel . . . . .	kg			
	75	Other . . . . .	kg			
7224.90.00		Other . . . . .	kg	Free		28%
	05	Of high-nickel alloy steel . . . . .	kg			
		Other:				
		Of tool steel:				
		Of rectangular (including square) cross section:				
	15	Having a width less than four times the thickness . . . . .	kg			
	25	Having a width at least four times the thickness . . . . .	kg			
	35	Other . . . . .	kg			
		Other:				
		Of rectangular (including square) cross section:				
	45	Having a width less than four times the thickness . . . . .	kg			
	55	Having a width at least four times the thickness . . . . .	kg			
	65	Of circular cross section . . . . .	kg			
	75	Other . . . . .	kg			
7225		Flat-rolled products of other alloy steel, of a width of 600 mm or more:				
		Of silicon electrical steel:				
7225.11.00	00	Grain-oriented . . . . .	kg	Free		28%
7225.19.00	00	Other . . . . .	kg	Free		28%
7225.20.00	00	Of high-speed steel . . . . .	kg	Free		32%
7225.30		Other, not further worked than hot-rolled, in coils:				
		Of a thickness of 4.75 mm or more:				
7225.30.10	00	Of tool steel (other than high-speed steel) . . . . .	kg	Free		29%
7225.30.30		Other . . . . .	kg	Free		28%
	05	Of high-nickel alloy steel . . . . .	kg			
	50	Other . . . . .	kg			
		Of a thickness of less than 4.75 mm:				
7225.30.50		Of tool steel (other than high-speed steel) . . . . .	kg	Free		29%
	30	Of ball-bearing steel . . . . .	kg			
	60	Other . . . . .	kg			
7225.30.70	00	Other . . . . .	kg	Free		28%



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Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
7225 (con.)		Flat-rolled products of other alloy steel, of a width of 600 mm or more (con.):				
7225.40		Other, not further worked than hot-rolled, not in coils:				
		Of a thickness of 4.75 mm or more:				
7225.40.10		Of tool steel (other than high-speed steel) . . . . .		Free		29%
	15	Of ball-bearing steel . . . . .	kg			
	90	Other . . . . .	kg			
7225.40.30		Other . . . . .		Free		28%
	05	Of high-nickel alloy steel . . . . .	kg			
	50	Other . . . . .	kg			
7225.40.50		Of a thickness of less than 4.75 mm:				
		Of tool steel (other than high-speed steel) . . . . .		Free		29%
	30	Of ball-bearing steel . . . . .	kg			
	60	Other . . . . .	kg			
7225.40.70	00	Other . . . . .	kg	Free		28%
7225.50		Other, not further worked than cold-rolled (cold-reduced):				
7225.50.10		Of tool steel (other than high-speed steel) . . . . .		Free		29%
	30	Of ball-bearing steel . . . . .	kg			
	60	Other . . . . .	kg			
7225.50.60	00	Other:				
		Of a thickness of 4.75 mm or more . . . . .	kg	Free		28%
7225.50.70	00	Of a thickness of less than 4.75 mm:				
		Heat-resisting steel . . . . .	kg	Free		29%
7225.50.80		Other . . . . .		Free		28%
	10	Of high-nickel alloy steel . . . . .	kg			
	15	Other:				
		Of a kind for use in making aperture masks for cathode-ray tube video displays . . . . .	kg			
	85	Other . . . . .	kg			
7225.91.00	00	Other:				
		Electrolytically plated or coated with zinc . . . . .	kg	Free		28%
7225.92.00	00	Otherwise plated or coated with zinc . . . . .	kg	Free		28%
7225.99.00		Other . . . . .		Free		28%
	10	Of high-nickel alloy steel . . . . .	kg			
	90	Other . . . . .	kg			

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Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
7226		Flat-rolled products of other alloy steel, of a width of less than 600 mm:				
		Of silicon electrical steel:				
		Grain-oriented:				
7226.11		Of a width of 300 mm or more . . . . .	kg . . . . .	Free		28%
7226.11.10	00	Of a width of less than 300 mm . . . . .		Free		33%
7226.11.90		Of thickness not exceeding 0.25 mm . . . . .	kg . . . . .			
	30	Other . . . . .	kg . . . . .			
	60					
7226.19		Other:				
7226.19.10	00	Of a width of 300 mm or more . . . . .	kg . . . . .	Free		28%
7226.19.90	00	Of a width of less than 300 mm . . . . .	kg . . . . .	Free		33%
7226.20.00	00	Of high-speed steel . . . . .	kg . . . . .	Free		37%
		Other:				
7226.91		Not further worked than hot-rolled:				
		Of tool steel (other than high-speed steel):				
7226.91.05	00	Of chipper knife steel . . . . .	kg . . . . .	Free		34%
		Other:				
7226.91.15		Of a width of 300 mm or more . . . . .		Free		29%
	30	Of ball-bearing steel . . . . .	kg . . . . .			
	60	Other . . . . .	kg . . . . .			
7226.91.25		Of a width of less than 300 mm . . . . .		Free		34%
	30	Of ball-bearing steel . . . . .	kg . . . . .			
	60	Other . . . . .	kg . . . . .			
7226.91.50	00	Other:				
		Of a thickness of 4.75 mm or more . . . . .	kg . . . . .	Free		28%
		Of a thickness of less than 4.75 mm:				
7226.91.70	00	Of a width of 300 mm or more . . . . .	kg . . . . .	Free		28%
7226.91.80	00	Of a width of less than 300 mm . . . . .	kg . . . . .	Free		33%
7226.92		Not further worked than cold-rolled (cold-reduced):				
		Of tool steel (other than high-speed steel):				
7226.92.10		Of a width of 300 mm or more . . . . .		Free		0.4¢/kg + 29%
	30	Of ball-bearing steel . . . . .	kg . . . . .			
	60	Other . . . . .	kg . . . . .			
7226.92.30		Of a width of less than 300 mm . . . . .		Free		34%
	30	Of ball-bearing steel . . . . .	kg . . . . .			
	60	Other . . . . .	kg . . . . .			
7226.92.50	00	Other:				
		Of a width of 300 mm or more . . . . .	kg . . . . .	Free		0.4¢/kg + 28%
		Of a width of less than 300 mm:				
7226.92.70		Of a thickness not exceeding 0.25 mm . . . . .		Free		33%
	05	Of high-nickel alloy steel . . . . .	kg . . . . .			
	50	Other . . . . .	kg . . . . .			
7226.92.80		Of a thickness exceeding 0.25 mm . . . . .		Free		33%
	05	Of high-nickel alloy steel . . . . .	kg . . . . .			
	50	Other . . . . .	kg . . . . .			
7226.93.00	00	Electrolytically plated or coated with zinc . . . . .	kg . . . . .	Free		33%
7226.94.00	00	Otherwise plated or coated with zinc . . . . .	kg . . . . .	Free		33%
7226.99.00	00	Other . . . . .	kg . . . . .	Free		33%

**APPENDIX E**

**EXCLUDED FORMS OF CARBON STEEL PRODUCTS**



## **EXCLUDED FORMS OF CARBON STEEL PRODUCTS**

### **Cut-to-Length Plate**

#### **Belgium**

As a result of a decision by the U.S. Court of International Trade (discussed in the Overview section of this report), cut-to-length floor plate “with patterns in relief derived directly from the rolling process” (floor plate) from Belgium is excluded from the scope of the antidumping duty order.

#### **Finland, Germany, and the United Kingdom**

As a result of a changed circumstance review, the order was revoked with respect to carbon cut-to-length steel plate with a maximum thickness of 80mm in steel grades BS 7191, 355 EM and 355 EMZ, as amended by Sable Offshore Energy Project Specification XB MOO Y 15 0001, types 1 and 2.<sup>1</sup>

### **Corrosion-Resistant Carbon Steel**

#### **Germany**

Commerce issued a partial revocation that applies to certain corrosion-resistant deep-drawing carbon steel strip, roll-clad on both sides with aluminum (AlSi) foils in accordance with St3 LG as to EN 10139/10140. The merchandise's chemical composition encompasses a core material of U St 23 (continuous casting) in which carbon is less than 0.08 by weight; manganese is less than 0.30; phosphorous is less than 0.20; sulfur is less than 0.015; aluminum is less than 0.01; and the cladding material is a minimum of 99 percent aluminum with silicon/copper/iron of less than 1 percent. The products are in strips with thicknesses of 0.07mm to 4.0mm (inclusive) and widths of 5mm to 800mm (inclusive). The thickness ratio of aluminum on either side of steel may range from 3%/94%/3% to 10%/80%/10%.<sup>2</sup>

#### **Japan**

Excluded are certain corrosion-resistant carbon steel flat products meeting the following specifications: (1) Widths ranging from 10 millimeters (0.394 inches) through 100 millimeters (3.94 inches); (2) thicknesses, including coatings, ranging from 0.11 millimeters (0.004 inches) through 0.60 millimeters (0.024 inches); and (3) a coating that is from 0.003 millimeters (0.00012 inches) through 0.005 millimeters (0.000196 inches) in thickness and that is comprised of either two evenly applied layers, the first layer consisting of 99 percent zinc, 0.5 percent cobalt, and 0.5 percent molybdenum followed by a layer consisting of chromate, and finally, a layer consisting of silicate. Also excluded are certain electrolytic zinc-coated steel coiled rolls meeting the following specifications: widths ranging from 10 millimeters (0.394 inches) through 100 millimeters (3.94 inches); thicknesses, including coatings, ranging from 0.11 millimeters (0.004 inches) through 0.60 millimeters (0.024 inches); and a coating that

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<sup>1</sup> See *Certain Cut-to-Length Carbon Steel Plate from Finland, Germany, and United Kingdom: Final Results of Changed Circumstances Antidumping Duty and Countervailing Duty Reviews, and Revocation of Orders in Part*, 64 FR 46343 (August 25, 1999).

<sup>2</sup> See *Notice of Final Results of Changed Circumstances Antidumping Duty and Countervailing Duty Reviews and Revocation of Orders in Part: Certain Corrosion-Resistant Carbon Steel Flat Products From Germany*, 64 FR 51292 (September 22, 1999).

is from 0.003 millimeters (0.00012 inches) through 0.005 millimeters (0.000196 inches) in thickness and that is comprised of three evenly applied layers, the first layer consisting of 99 percent zinc, 0.5 percent cobalt, and 0.5 percent molybdenum, followed by a layer consisting of chromate, and finally a layer consisting of silicate.<sup>3</sup>

Also excluded are certain corrosion-resistant carbon steel flat products meeting the following specifications: (1) widths ranging from 10 millimeters (0.394 inches) through 100 millimeters (3.94 inches); (2) thicknesses, including coatings, ranging from 0.11 millimeters (0.004 inches) through 0.60 millimeters (0.024 inches); and (3) a coating that is from 0.003 millimeters (0.00012 inches) through 0.005 millimeters (0.000196 inches) in thickness and that is comprised of either two evenly applied layers, the first layer consisting of 99 percent zinc, 0.5 percent cobalt, and 0.5 percent molybdenum, followed by a layer consisting of chromate, or three evenly applied layers, the first layer consisting of 99 percent zinc, 0.5 percent cobalt, and 0.5 percent molybdenum followed by a layer consisting of chromate, and finally a layer consisting of silicate. This steel has been used in the manufacture of rubber seals and metal inserts for ball bearings.<sup>4</sup>

Also excluded are (1) certain products meeting the requirements of SAE standard 792 for bearing and bushing alloys, and (2) certain products meeting the requirements of SAE standard 783 for bearing and bushing alloys. This merchandise covers:

- (1) carbon steel flat products measuring 1.84 mm in thickness and 43.6 mm or 16.1 mm in width consisting of carbon steel coil (SAE 1008) clad with an aluminum alloy that is balance aluminum, 20 percent tin, 1 percent copper, 0.3 percent silicon, 0.15 percent nickel, less than 1 percent other materials and meeting the requirements of SAE standard 783 for bearing and bushing alloys; and
- (2) carbon steel flat products measuring 0.97 mm in thickness and 20 mm in width consisting of carbon steel coil (SAE 1008) with a two-layer lining, the first layer consisting of a copper-lead alloy powder that is balance copper, 9 percent to 11 percent tin, 9 percent to 11 percent lead, less than 1 percent zinc, less than 1 percent other materials and meeting the requirements of SAE standard 792 for bearing and bushing alloys, the second layer consisting of 45 percent to 55 percent lead, 38 percent to 50 percent PTFE, 3 percent to 5 percent molybdenum disulfide and less than 2 percent other materials. The merchandise under review is currently classifiable under subheading 7212.50.00 of the Harmonized Tariff Schedule of the United States (HTSUS).<sup>5</sup>

Also excluded from the scope of the order are imports of doctor blades meeting the following specifications: carbon steel coil or strip, plated with nickel phosphorous, having a thickness of 0.1524 mm (0.006 inches), a width between 31.75 mm (1.25 inches) and 50.80 mm (2.00 inches), a core hardness between 580 to 630 HV; the carbon steel coil or strip consists of the following elements identified in percentage by weight: 0.90 percent to 1.05 percent carbon; 0.15 percent to 0.35 percent silicon; 0.30

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<sup>3</sup> See *Certain Corrosion-Resistant Carbon Steel Flat Products from Japan: Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Revocation in Part of Antidumping Duty Order*, 64 FR 66848 (December 22, 1999).

<sup>4</sup> See *Certain Corrosion-Resistant Carbon Steel Flat Products from Japan: Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Revocation in Part of Antidumping Duty Order*, 64 FR 14861 (March 29, 1999).

<sup>5</sup> See *Certain Corrosion-Resistant Carbon Steel Flat Products from Japan: Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Revocation in Part of Antidumping Duty Order*, 64 FR 57032 (October 22, 1999).

percent to 0.50 percent manganese; less than or equal to 0.03 percent of phosphorous; less than or equal to 0.006 percent of sulfur; other elements representing 0.24 percent; and the remainder of iron.<sup>6</sup>

Also excluded from the scope of the order are imports of carbon steel flat products meeting the following specifications: carbon steel flat products measuring 1.64 mm in thickness and 19.5 mm in width consisting of carbon steel coil (SAE 1008) with a lining clad with an aluminum alloy that is balance aluminum; 10 to 15 percent tin; 1 to 3 percent lead; 0.7 to 1.3 percent copper; 1.8 to 3.5 percent silicon; 0.1 to 0.7 percent chromium, less than 1 percent other materials and meeting the requirements of SAE standard 783 for bearing and bushing alloys.<sup>7</sup>

Also excluded from the scope of the order are carbon steel flat products meeting the following specifications:

- (1) carbon steel flat products measuring 0.975 mm in thickness and 8.8 mm in width consisting of carbon steel coil (SAE 1012) clad with a two-layer lining, the first layer consisting of a copper-lead alloy powder that is balance copper, 9 percent-11 percent tin, 9 percent-11 percent lead, maximum 1 percent other materials and meeting the requirements of SAE standard 792 for bearing and bushing alloys, the second layer consisting of 13 percent-17 percent carbon, 13 percent-17 percent aromatic polyester, with a balance (approx. 66 percent-74 percent) of polytetrafluorethylene ("PTFE"); and
- (2) carbon steel flat products measuring 1.02 mm in thickness and 10.7 mm in width consisting of carbon steel coil (SAE 1008) with a two-layer lining, the first layer consisting of a copper-lead alloy powder that is balance copper, 9 percent-11 percent tin, 9 percent-11 percent lead, less than 0.35 percent iron, and meeting the requirements of SAE standard 792 for bearing and bushing alloys, the second layer consisting of 45 percent-55 percent lead, 3 percent-5 percent molybdenum disulfide, with a balance (approx. 40 percent-52 percent) of PTFE.<sup>8</sup>

Also excluded from this order are products meeting the following specifications: carbon steel coil or strip, measuring 1.93 mm or 2.75 mm (0.076 inches or 0.108 inches) in thickness, 87.3 mm or 99 mm (3.437 inches or 3.900 inches) in width, with a low carbon steel back comprised of: carbon under 8 percent, manganese under 0.4 percent, phosphorous under 0.04 percent, and sulfur under 0.05 percent; clad with aluminum alloy comprised of: 0.7 percent copper, 12 percent tin, 1.7 percent lead, 0.3 percent antimony, 2.5 percent silicon, 1 percent maximum total other (including iron), and remainder aluminum. Also excluded from this order are products meeting the following specifications: carbon steel coil or strip, clad with aluminum, measuring 1.75 mm (0.069 inches) in thickness, 89 mm or 94 mm (3.500 inches or 3.700 inches) in width, with a low carbon steel back comprised of: carbon under 8 percent, manganese under 0.4 percent, phosphorous under 0.04 percent, and sulfur under 0.05 percent; clad with aluminum alloy comprised of: 0.7 percent copper, 12 percent tin, 1.7 percent lead, 2.5 percent silicon, 0.3 percent antimony, 1 percent maximum total other (including iron), and remainder aluminum.<sup>9</sup>

Also excluded from this order are products meeting the following specifications: carbon steel coil or strip, measuring a minimum of and including 1.10 mm to a maximum of and including 4.90 mm in overall thickness, a minimum of and including 76.00 mm to a maximum of and including 250.00 mm in

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<sup>6</sup> *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 65 FR 53983 (September 6, 2000).

<sup>7</sup> *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 66 FR 8778 (February 2, 2001).

<sup>8</sup> *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 66 FR 15075 (March 15, 2001).

<sup>9</sup> *See Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 66 FR 20967 (April 26, 2001).

overall width, with a low carbon steel back comprised of: carbon under 0.10 percent, manganese under 0.40 percent, phosphorous under 0.04 percent, sulfur under 0.05 percent, and silicon under 0.05 percent; clad with aluminum alloy comprised of: under 2.51 percent copper, under 15.10 percent tin, and remainder aluminum as listed on the mill specification sheet.<sup>10</sup>

Also excluded from this order are products meeting the following specifications: (1) Diffusion annealed, non-alloy nickel-plated carbon products, with a substrate of cold-rolled battery grade sheet ("CRBG") with both sides of the CRBG initially electrolytically plated with pure, unalloyed nickel and subsequently annealed to create a diffusion between the nickel and iron substrate, with the nickel plated coating having a thickness of 0-5 microns per side with one side equaling at least 2 microns; and with the nickel carbon sheet having a thickness of from 0.004" (0.10 mm) to 0.030" (0.762 mm) and conforming to the following chemical specifications (in percent): C ≤ 0.08; Mn ≤ 0.45; P ≤ 0.02; S ≤ 0.02; Al ≤ 0.15; and Si ≤ 0.10; and the following physical specifications: Tensile = 65 KSI maximum; Yield = 32 - 55 KSI; Elongation = 18 percent minimum (aim 34 percent); Hardness = 85 - 150 Vickers; Grain Type = Equiaxed or Pancake; Grain Size (ASTM) = 7-12; Delta r value = aim less than +/- 0.2; Lankford value ≤ 1.2.; and (2) next generation diffusion-annealed nickel plate meeting the following specifications:

- (a) nickel-graphite plated, diffusion annealed, tin-nickel plated carbon products, with a natural composition mixture of nickel and graphite electrolytically plated to the top side of diffusion annealed tin-nickel plated carbon steel strip with a cold rolled or tin mill black plate base metal conforming to chemical requirements based on AISI 1006; having both sides of the cold rolled substrate electrolytically plated with natural nickel, with the top side of the nickel plated strip electrolytically plated with tin and then annealed to create a diffusion between the nickel and tin layers in which a nickel-tin alloy is created, and an additional layer of mixture of natural nickel and graphite then electrolytically plated on the top side of the strip of the nickel-tin alloy; having a coating thickness: top side: nickel-graphite, tin-nickel layer ≤ 1.0 micrometers; tin layer only ≤ 0.05 micrometers, nickel-graphite layer only ≤ 0.2 micrometers, and bottom side: nickel layer ≤ 1.0 micrometers;
- (b) nickel-graphite, diffusion annealed, nickel plated carbon products, having a natural composition mixture of nickel and graphite electrolytically plated to the top side of diffusion annealed nickel plated steel strip with a cold rolled or tin mill black plate base metal conforming to chemical requirements based on AISI 1006; with both sides of the cold rolled base metal initially electrolytically plated with natural nickel, and the material then annealed to create a diffusion between the nickel and the iron substrate; with an additional layer of natural nickel-graphite then electrolytically plated on the top side of the strip of the nickel plated steel strip; with the nickel-graphite, nickel plated material sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling, or any other evidence of separation; having a coating thickness: top side: nickel-graphite, tin-nickel layer ≤ 1.0 micrometers; nickel-graphite layer ≤ 0.5 micrometers; bottom side: nickel layer ≤ 1.0 micrometers;
- (c) diffusion annealed nickel-graphite plated products, which are cold-rolled or tin mill black plate base metal conforming to the chemical requirements based on AISI 1006; having the bottom side of the base metal first electrolytically plated with natural nickel, and the top side of the strip then plated with a nickel-graphite composition; with the strip then annealed to create a diffusion of the nickel-graphite and the iron substrate on the bottom side; with the nickel-graphite and nickel plated material sufficiently ductile and adherent to the substrate to permit forming without

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<sup>10</sup> See *Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 67 FR 7356 (February 19, 2002).



- cracking, flaking, peeling, or any other evidence of separation; having coating thickness: top side: nickel-graphite layer  $\leq 1.0$  micrometers; bottom side: nickel layer  $\leq 1.0$  micrometers;
- (d) nickel-phosphorous plated diffusion annealed nickel plated carbon product, having a natural composition mixture of nickel and phosphorus electrolytically plated to the top side of a diffusion annealed nickel plated steel strip with a cold rolled or tin mill black plate base metal conforming to the chemical requirements based on AISI 1006; with both sides of the base metal initially electrolytically plated with natural nickel, and the material then annealed to create a diffusion of the nickel and iron substrate; another layer of the natural nickel-phosphorous then electrolytically plated on the top side of the nickel plated steel strip; with the nickel-phosphorous, nickel plated material sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling or any other evidence of separation; having a coating thickness: top side: nickel-phosphorous, nickel layer  $\leq 1.0$  micrometers; nickel-phosphorous layer  $\leq 0.1$  micrometers; bottom side: nickel layer  $\leq 1.0$  micrometers;
- (e) diffusion annealed, tin-nickel plated products, electrolytically plated with natural nickel to the top side of a diffusion annealed tin-nickel plated cold rolled or tin mill black plate base metal conforming to the chemical requirements based on AISI 1006; with both sides of the cold rolled strip initially electrolytically plated with natural nickel, with the top side of the nickel plated strip electrolytically plated with tin and then annealed to create a diffusion between the nickel and tin layers in which a nickel-tin alloy is created, and an additional layer of natural nickel then electrolytically plated on the top side of the strip of the nickel-tin alloy; sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling or any other evidence of separation; having coating thickness: top side: nickel-tin-nickel combination layer  $\leq 1.0$  micrometers; tin layer only  $\leq 0.05$  micrometers; bottom side: nickel layer  $\leq 1.0$  micrometers; and
- (f) tin mill products for battery containers, tin and nickel plated on a cold rolled or tin mill black plate base metal conforming to chemical requirements based on AISI 1006; having both sides of the cold rolled substrate electrolytically plated with natural nickel; then annealed to create a diffusion of the nickel and iron substrate; then an additional layer of natural tin electrolytically plated on the top side; and again annealed to create a diffusion of the tin and nickel alloys; with the tin-nickel, nickel plated material sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling or any other evidence of separation; having a coating thickness: top side: nickel-tin layer  $\leq 1$  micrometer; tin layer alone  $\leq 0.05$  micrometers; bottom side: nickel layer  $\leq 1.0$  micrometer.<sup>11</sup>

Also excluded from this order are products meeting the following specifications: (1) Widths ranging from 10 mm (0.394 inches) through 100 mm (3.94 inches); (2) thicknesses, including coatings, ranging from 0.11 mm (0.004 inches) through 0.60 mm (0.024 inches); and (3) a coating that is from 0.003 mm (0.00012 inches) through 0.005 mm (0.000196 inches) in thickness and that is comprised of either two evenly applied layers, the first layer consisting of 99 percent zinc, 0.5 percent cobalt, and 0.5 percent molybdenum, followed by a layer consisting of phosphate, or three evenly applied layers, the first layer consisting of 99 percent zinc, 0.5 percent cobalt, and 0.5 percent molybdenum followed by a layer consisting of phosphate, and finally a layer consisting of silicate.<sup>12</sup>

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<sup>11</sup> See *Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 67 FR 47768 (July 22, 2002).

<sup>12</sup> See *Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 67 FR 57208 (September 9, 2002).

Also excluded from this order are products meeting the following specifications: (1) Flat-rolled products (provided for in HTSUS subheading 7210.49.00), other than of high-strength steel, known as “ASE Iron Flash” and either:

- (A) having a base layer of zinc-based zinc-iron alloy applied by hot-dipping and a surface layer of iron-zinc alloy applied by electrolytic process, the weight of the coating and plating not over 40 percent by weight of zinc; or
- (B) two-layer-coated corrosion-resistant steel with a coating composed of (a) a base coating layer of zinc-based zinc-iron alloy by hot-dip galvanizing process, and (b) a surface coating layer of iron-zinc alloy by electro-galvanizing process, having an effective amount of zinc up to 40 percent by weight, and

(2) corrosion resistant continuously annealed flat-rolled products, continuous cast, the foregoing with chemical composition (percent by weight): carbon not over 0.06 percent by weight, manganese 0.20 or more but not over 0.40, phosphorus not over 0.02, sulfur not over 0.023, silicon not over 0.03, aluminum 0.03 or more but not over 0.08, arsenic not over 0.02, copper not over 0.08 and nitrogen 0.003 or more but not over 0.008; and meeting the characteristics described below:

- (A) Products with one side coated with a nickel-iron-diffused layer which is less than 1 micrometer in thickness and the other side coated with a two-layer coating composed of a base nickel-iron-diffused coating layer and a surface coating layer of annealed and softened pure nickel, with total coating thickness for both layers of more than 2 micrometers; surface roughness (RA-microns) 0.18 or less; with scanning electron microscope (SEM) not revealing oxides greater than 1 micron; and inclusion groups or clusters shall not exceed 5 microns in length;
- (B) products having one side coated with a nickel-iron-diffused layer which is less than 1 micrometer in thickness and the other side coated with a four-layer coating composed of a base nickel-iron-diffused coating layer; with an inner middle coating layer of annealed and softened pure nickel, an outer middle surface coating layer of hard nickel and a topmost nickel-phosphorus-plated layer; with combined coating thickness for the four layers of more than 2 micrometers; surface roughness (RA-microns) 0.18 or less; with SEM not revealing oxides greater than 1 micron; and inclusion groups or clusters shall not exceed 5 microns in length;
- (C) products having one side coated with a nickel-iron-diffused layer which is less than 1 micrometer in thickness and the other side coated with a three-layer coating composed of a base nickel-iron-diffused coating layer, with a middle coating layer of annealed and softened pure nickel and a surface coating layer of hard, luster-agent-added nickel which is not heat-treated; with combined coating thickness for all three layers of more than 2 micrometers; surface roughness (RA-microns) 0.18 or less; with SEM not revealing oxides greater than 1 micron; and inclusion groups or clusters shall not exceed 5 microns in length; or
- (D) products having one side coated with a nickel-iron-diffused layer which is less than 1 micrometer in thickness and the other side coated with a three-layer coating composed of a base nickel-iron-diffused coating layer, with a middle coating layer of annealed and softened pure nickel and a surface coating layer of hard, pure nickel which is not heat-treated; with combined coating thickness for all three layers of more than 2 micrometers; surface roughness (RA-microns) 0.18 or less; SEM not revealing oxides greater than 1 micron; and inclusion groups or clusters shall not exceed 5 microns in length.<sup>13</sup>

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<sup>13</sup> See *Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order*, 68 FR 19970 (April 23, 2003).

Also excluded from the scope of this order is merchandise meeting the following specifications: (1) Base metal: Aluminum Killed, Continuous Cast, Carbon Steel SAE 1008, (2) Chemical composition: Carbon 0.08 percent max., Silicon 0.03 percent max., Manganese 0.40 percent max., Phosphorus 0.02 percent max., Sulfur 0.02 percent max., (3) Nominal thickness of 0.054 mm, (4) Thickness tolerance minimum 0.0513 mm, maximum 0.0567 mm, (5) Width of 600 mm or greater, and (7) Nickel plate min. 2.45 microns per side.<sup>14</sup>

Also excluded from the scope of this order are the following 24 separate corrosion-resistant carbon steel coil products meeting the following specifications:

- product 1 - Products described in industry usage as of carbon steel, measuring 1.625 mm to 1.655 mm in thickness and 19.3 mm to 19.7 mm in width, consisting of carbon steel coil (SAE 1010) with a lining clad with an aluminum alloy containing by weight 10 percent or more but not more than 15 percent of tin, 1 percent or more but not more than 3 percent of lead, 0.7 percent or more but not more than 1.3 percent of copper, 1.8 percent or more but not more than 3.5 percent of silicon, 0.1 percent or more but not more than 0.7 percent of chromium and less than or equal to 1 percent of other materials, and meeting the requirements of SAE standard 788 for bearing and bushing alloys.
- product 2 - Products described in industry usage as of carbon steel, measuring 0.955 mm to 0.985 mm in thickness and 8.6 mm to 9.0 mm in width, consisting of carbon steel coil (SAE 1012) clad with a two-layer lining, the first layer consisting of a copper-lead alloy powder that contains by weight 9 percent or more but not more than 11 percent of tin, 9 percent or more but not more than 11 percent of lead, less than 0.05 percent phosphorus, less than 0.35 percent iron and less than or equal to 1 percent other materials, and meeting the requirements of SAE standard 797 for bearing and bushing alloys, with the second layer containing by weight 13 percent or more but not more than 17 percent of carbon, 13 percent or more but not more than 17 percent of aromatic polyester, and the remainder (approx. 66-74 percent) of PTFE.
- product 3 - Products described in industry usage as of carbon steel, measuring 1.01 mm to 1.03 mm in thickness and 10.5 mm to 10.9 mm in width, consisting of carbon steel coil (SAE 1010) with a two-layer lining, the first layer consisting of a copper-lead alloy powder that contains by weight 9 percent or more but not more than 11 percent of tin, 9 percent or more but not more than 11 percent of lead, less than 1 percent zinc and less than or equal to 1 percent other materials, and meeting the requirements of SAE standard 797 for bearing and bushing alloys, with the second layer containing by weight 45 percent or more but not more than 55 percent of lead, 3 percent or more but not more than 5 percent of molybdenum disulfide, and the remainder made up of PTFE (approximately 38 percent to 52 percent) and less than 2 percent in the aggregate of other materials.
- product 4 - Products described in industry usage as of carbon steel, measuring 1.8 mm to 1.88 mm in thickness and 43.4 mm to 43.8 mm or 16.1 mm to 1.65 mm in width, consisting of carbon steel coil (SAE 1010) clad with an aluminum alloy that contains by weight 19 percent to 20 percent tin, 1 percent to 1.2 percent copper, less than 0.3 percent silicon, 0.15 percent nickel and less than 1 percent in the aggregate other materials and meeting the requirements of SAE standard 783 for bearing and bushing alloys.
- product 5 - Products described in industry usage as of carbon steel, measuring 0.95 mm to 0.98 mm in thickness and 19.95 mm to 20 mm in width, consisting of carbon steel coil (SAE 1010) with a two-layer lining, the first layer consisting of a copper-lead alloy powder that contains by weight 9 percent or more but not more than 11 percent of tin, 9 percent or more but not more than

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<sup>14</sup> See *Notice of Final Results of Changed Circumstances Review and Revocation, in Part: Certain Corrosion-Resistant Carbon Steel Flat Products From Japan*, 70 FR 2608 (January 14, 2005).

11 percent of lead, less than 1 percent of zinc and less than or equal to 1 percent in the aggregate of other materials and meeting the requirements of SAE standard 797 for bearing and bushing alloys, with the second layer consisting by weight of 45 percent or more but not more than 55 percent of lead, 3 percent or more but not more than 5 percent of molybdenum disulfide and with the remainder made up of PTFE (approximately 38 percent to 52 percent) and up to 2 percent in the aggregate of other materials.

- product 6 - Products described in industry usage as of carbon steel, measuring 0.96 mm to 0.98 mm in thickness and 18.75 mm to 18.95 mm in width; base of SAE 1010 steel with a two-layer lining, the first layer consisting of copper-base alloy powder with chemical composition (percent by weight): tin 9 to 11, lead 9 to 11, phosphorus less than 0.05, ferrous group less than 0.35, and other materials less than 1 percent; meeting the requirements of SAE standard 797 for bearing and bushing alloys; the second layer consisting of lead 33 to 37 percent, aromatic polyester 28 to 32 percent, and other materials less than 2 percent with a balance of PTFE.
- product 7 - Products described in industry usage as of carbon steel, measuring 1.21 mm to 1.25 mm in thickness and 19.4 mm to 19.6 mm in width; base of SAE 1012 steel with lining of copper base alloy with chemical composition (percent by weight): tin 9 to 11, lead 9 to 11, phosphorus less than 0.05, ferrous group less than 0.35 and other materials less than 1 percent; meeting the requirements of SAE standard 797 for bearing and bushing alloys.
- product 8 - Products described in industry usage as of carbon steel, measuring 0.96 mm to 0.98 mm in thickness and 21.5 mm to 21.7 mm in width; base of SAE 1010 steel with a two-layer lining, the first layer consisting of copper-base alloy powder with chemical composition (percent by weight): tin 9 to 11, lead 9 to 11, phosphorus less than 0.05 percent, ferrous group less than 0.35 and other materials less than 1; meeting the requirements of SAE standard 797 for bearing and bushing alloys; the second layer consisting of (percent by weight) lead 33 to 37, aromatic polyester 28 to 32 and other materials less than 2 with a balance of PTFE.
- product 9 - Products described in industry usage as of carbon steel, measuring 0.96 mm to 0.99 mm in thickness and 7.65 mm to 7.85 mm in width; base of SAE 1012 steel with a two-layer lining, the first layer consisting of copper-based alloy powder with chemical composition (percent by weight): tin 9 to 11, lead 9 to 11, phosphorus less than 0.05, ferrous group less than 0.35 and other materials less than 1; meeting the requirements of SAE standard 797 for bearing and bushing alloys; the second layer consisting of (percent by weight) carbon 13 to 17 and aromatic polyester 13 to 17, with a balance of PTFE
- product 10 - Products described in industry usage as of carbon steel, measuring 0.955 mm to 0.985 mm in thickness and 13.6 mm to 14 mm in width; base of SAE 1012 steel with a two-layer lining, the first layer consisting of copper-based alloy powder with chemical composition (percent by weight): tin 9 to 11, lead 9 to 11, phosphorus less than 0.05, ferrous group less than 0.35 and other materials less than 1; meeting the requirements of SAE standard 797 for bearing and bushing alloys; the second layer consisting of (percent by weight) carbon 13 to 17, aromatic polyester 13 to 17, with a balance (approximately 66 to 74) of PTFE.
- product 11 - Products described in industry usage as of carbon steel, measuring 1.2 mm to 1.24 mm in thickness; 20 mm to 20.4 mm in width; consisting of carbon steel coils (SAE 1012) with a lining of sintered phosphorus bronze alloy with chemical composition (percent by weight): tin 5.5 to 7; phosphorus 0.03 to 0.35; lead less than 1 and other non- copper materials less than 1.
- product 12 - Products described in industry usage as of carbon steel, measuring 1.8 mm to 1.88 mm in thickness and 43.3 mm to 43.7 mm in width; base of SAE 1010 steel with a lining of aluminum based alloy with chemical composition (percent by weight: tin 10 to 15, lead 1 to 3, copper 0.7 to 1.3, silicon 1.8 to 3.5, chromium 0.1 to 0.7 and other materials less than 1; meeting the requirements of SAE standard 788 for bearing and bushing alloys.
- product 13 - Products described in industry usage as of carbon steel, measuring 1.8 mm to 1.88 mm in thickness and 24.2 mm to 24.6 mm in width; base of SAE 1010 steel with a lining of

aluminum alloy with chemical composition (percent by weight): tin 10 to 15, lead 1 to 3, copper 0.7 to 1.3, silicon 1.8 to 3.5, chromium 0.1 to 0.7 and other materials less than 1; meeting the requirements of SAE standard 788 for bearing and bushing alloys.

- product 14 - Flat-rolled coated SAE 1009 steel in coils, with thickness not less than 0.915 mm but not over 0.965 mm, width not less than 19.75 mm or more but not over 20.35 mm; with a two-layer coating; the first layer consisting of tin 9 to 11 percent, lead 9 to 11 percent, zinc less than 1 percent, other materials (other than copper) not over 1 percent and balance copper; the second layer consisting of lead 45 to 55 percent, molybdenum disulfide (MoS<sub>2</sub>) 3 to 5 percent, other materials not over 2 percent, balance PTFE.
- product 15 - Flat-rolled coated SAE 1009 steel in coils with thickness not less than 0.915 mm or more but not over 0.965 mm; width not less than 18.65 mm or more but not over 19.25 mm; with a two-layer coating; the first layer consisting of tin 9 to 11 percent, lead 9 to 11 percent, zinc less than 1 percent, other materials (other than copper) not over 1 percent, balance copper; the second layer consisting of lead 33 to 37 percent, aromatic polyester 13 to 17 percent, other materials other than PTFE less than 2 percent, balance PTFE.
- product 16 - Flat-rolled coated SAE 1009 steel in coils with thickness not less than 0.920 mm or more but not over 0.970 mm; width not less than 21.35 mm or more but not over 21.95 mm; with a two-layer coating; the first layer consisting of tin 9 to 11 percent, lead 9 to 11 percent, zinc less than 1 percent, other materials (other than copper) not over 1 percent, balance copper; the second layer consisting of lead 33 to 37 percent, aromatic polyester 13 to 17 percent, other materials (other than PTFE) less than 2 percent, balance PTFE.
- product 17 - Flat-rolled coated SAE 1009 steel in coils with thickness not less than 1.80 mm or more but not over 1.85 mm, width not less than 14.7 mm or more but not over 15.3 mm; with a lining consisting of tin 2.5 to 4.5 percent, lead 21.0 to 25.0 percent, zinc less than 3 percent, iron less than 0.35 percent, other materials (other than copper) less than 1 percent, balance copper.
- product 18 - Flat-rolled coated SAE 1009 steel in coils with thickness 1.59 mm or more but not over 1.64 mm; width 14.5 mm or more but not over 15.1 mm; with a lining consisting of tin 2.3 to 4.2 percent, lead 20 to 25 percent, iron 1.5 to 4.5 percent, phosphorus 0.2 to 2.0 percent, other materials (other than copper) less than 1 percent, balance copper.
- product 19 - Flat-rolled coated SAE 1009 steel in coils with thickness not less than 1.75 mm or more but not over 1.8 mm; width not less than 18.0 mm or more but not over 18.6 mm; with a lining consisting of tin 2.3 to 4.2 percent, lead 20 to 25 percent, iron 1.5 to 4.5 percent, phosphorus 0.2 to 2.0 percent, other materials (other than copper) less than 1 percent, balance copper.
- product 20 - Flat-rolled coated SAE 1009 steel in coils with thickness 1.59 mm or more but not over 1.64 mm; width 13.6 mm or more but not over 14.2 mm; with a lining consisting of tin 2.3 to 4.2 percent, lead 20 to 25 percent, iron 1.5 to 4.5 percent, phosphorus 0.2 to 2.0 percent, other materials (other than copper) less than 1 percent, with a balance copper.
- product 21 - Flat-rolled coated SAE 1009 steel in coils with thickness 1.59 mm or more but not over 1.64 mm; width 11.5 mm or more but not over 12.1 mm; with a lining consisting of tin 2.3 to 4.2 percent, lead 20 to 25 percent, iron 1.5 to 4.5 percent, phosphorus 0.2 to 2.0 percent, other materials (other than copper) less than 1 percent, balance copper.
- product 22 - Flat-rolled coated SAE 1009 steel in coils with thickness 1.59 mm or more but not over 1.64 mm; width 11.2 mm or more but not over 11.8 mm, with a lining consisting of copper 0.7 to 1.3 percent, tin 17.5 to 22.5 percent, silicon less than 0.3 percent, nickel less than 0.15 percent, other materials less than 1 percent, balance aluminum.
- product 23 - Flat-rolled coated SAE 1009 steel in coils with thickness 1.59 mm or more but not over 1.64 mm; width 7.2 mm or more but not over 7.8 mm; with a lining consisting of copper 0.7 to 1.3 percent, tin 17.5 to 22.5 percent, silicon less than 0.3 percent, nickel less than 0.15 percent, other materials (other than copper) less than 1 percent, balance copper.

- product 24 - Flat-rolled coated SAE 1009 steel in coils with thickness 1.72 mm or more but not over 1.77 mm; width 7.7 mm or more but not over 8.3 mm; with a lining consisting of copper 0.7 to 1.3 percent, tin 17.5 to 22.5 percent, silicon less than 0.3 percent, nickel less than 0.15 percent, other materials (other than copper) less than 1 percent, balance copper.<sup>15</sup>

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<sup>15</sup> *See Notice of Final Results of Antidumping Duty Changed Circumstances Review and Revocation, In Part: Certain Corrosion-Resistant Carbon Steel Flat Products From Japan*, 70 FR 5137 (February 1, 2005).

## **APPENDIX F**

### **COMMENTS BY U.S. PRODUCERS, IMPORTERS, PURCHASERS, AND FOREIGN PRODUCERS REGARDING FLAT BAR AND OTHER FORMS OF CTL PLATE**





## **U.S. PRODUCERS OF CUT-TO-LENGTH PLATE**

### **Characteristics and Uses**

\*\*\*

“Used as stiffeners, base plates, joiners, liners, caps, and produced in a number of different yield, tensile, hardness, toughness physical characteristics and chemical characteristics for use in bridges, containers, trailers, buildings, equipment, etc.”

\*\*\*

“No differences are significant.”

\*\*\*

“Parts are machined directly from wide flat bar, but parts are made from plate by either: 1) plate could be cut into bars and then machined, or 2) plate could be plasma cut to a near part configuration, then machine finished.”

\*\*\*

“Wide bar flats are rolled on both the width and thickness dimensions. Cut-to-length plates are not; Cut-to-length plates are only rolled on the width dimension. Both products can have the same width and thickness with similar tolerances. Wide bar flats can be cold drawn, cut-to-length plates cannot. Cut-to-length plates can be machined by grinding and/or milling to make a product that can compete with a cold drawn bar made from wide bar flats.”

\*\*\*

“General characteristics are the same as compared to comparable CTL plate - end uses can be similar as well.”

### **Interchangeability**

\*\*\*

“Very interchangeable unless edge quality is critical. Driver/decider if all else is equal is generally price and availability.”

\*\*\*

“No differences are significant.”

\*\*\*

“In certain aerospace or high temperature applications, the preferred product would be wide flat bar. Otherwise, the products are readily interchangeable.”

\*\*\*

“Wide bar products can be used in all end applications, but cut-to-length plates cannot be cold drawn. However, cut-to-length plates can be machined, milled or ground, on all sides such that they can be sold in direct competition with cold drawn wide bar flats.”

\*\*\*

“Interchangeability is dependent on specific customer end uses.”

## **Manufacturing Processes**

\*\*\*

“Melting process essentially the same. Hot rolled to either exact width needed (bar mill) or rolled in wide plates, strip and slit or burned to required width.”

\*\*\*

“BOF-based has lower residuals than EAF-based; minor differences.”

\*\*\*

“Both products are usually hot rolled. Wide flat bar may be drawn after annealing to reduce machining costs and achieve higher hardness.”

\*\*\*

“Wide bar flats are produced with vertical and horizontal rolls to produce the width and thickness dimensions, or in a closed or box pass (all four dimensions are shaped) that controls the width and thickness dimensions. Cut-to-length plates are rolled with horizontal rolls and the width and length are burned or sheared to size. The skilled labor is similar, but the equipment designed is different. Both products are shaped in rolling mills; but the equipment is not interchangeable.”

\*\*\*

—

## **Channels of Distribution**

\*\*\*

“Same.”

\*\*\*

“No significant differences.”

\*\*\*

“Service centers or OEMs.”

\*\*\*

“Both wide bar flats and cut-to-length plate can be forged, rolled, welded and machined in many different end manufacturing and/or fabricating applications, however, cut-to-length plates cannot be cold drawn. Both products can and are sold directly to forgers, fabricators, ship building, railroad car building, heavy original equipment manufacturers, bridge builders, and service centers.”

\*\*\*

“Construction and agricultural are some of the possible end uses. Material is available mill direct or thru service centers.”

## **Customer and Producer Perception**

\*\*\*

“Edge quality is far better on bar mill rolled product. However, customer/producer will opt for best price/delivery unless edge quality critical.”

\*\*\*

“No significant differences.”

\*\*\*

“Unknown.”

\*\*\*

“Cut-to-length plates cannot be used for cold drawing of the width and thickness. Wide bar flats also have very narrow width and thickness tolerances along with superior straightness tolerances that cannot be maintained sustained with cut-to-length plate, however, machined plate can compete favorably with cold drawn bars made from wide bar flats.”

\*\*\*

“Based upon end use, we do not believe customers perceive a difference.”

### **Price**

\*\*\*

“None.”

\*\*\*

“No significant differences.”

\*\*\*

“Unknown.”

\*\*\*

“Wide bar flats can be up to \$\*\*\*/NT more expensive than cut-to-length plate that has not been further machined.”

\*\*\*

“Wide flat bar is normally sold at a discount to CTL plate.”

## **IMPORTERS OF CUT-TO-LENGTH PLATE**

### **Characteristics and Uses**

\*\*\*

“Flats can be substituted in certain applications where plate would have to be cut to narrow widths (e.g., abrasion-resistant parts for mining equipment).”

\*\*\*

“Flats can be substituted in certain applications where plate would have to be cut to narrow width (e.g. abrasion-resistant parts for mining equipment).”

\*\*\*

“None of our business could use wide flat bar versus plate.”

\*\*\*

“General characteristics are the same as compared to a comparable CTL plate - end uses can be similar as well.”

### **Interchangeability**

\*\*\*

“Only for a limited range of applications, and then only if the price differential is significant (with flats underselling plates).”

\*\*\*

“Only for a limited range of applications.”

\*\*\*

“Not at all.”

\*\*\*

“Interchangeability is dependent on specific customer end use.”

### **Channels of Distribution**

\*\*\*

“Some plate distributors—not all of them—also carry flats.”

\*\*\*

“Some plate distributors—very few—also carry flats.”

\*\*\*

“We sell to plate burners and distribution customers. The distribution customers may also sell flat bar.”

\*\*\*

“Construction and agricultural are some of the possible end uses. Material is available mill direct or through service centers.”

### **Customer and Producer Perception**

\*\*\*

“Plate is generally preferred for quality.”

\*\*\*

“Plate is generally preferred for quality.”

\*\*\*

“No idea.”

\*\*\*

“Based upon end use, we do not believe customers perceive a difference.”

## **Price**

\*\*\*

“Flats are much cheaper.”

\*\*\*

“Flats are less expensive than plates.”

\*\*\*

“No idea - not active in flat bar.”

\*\*\*

“Wide flat bar is normally sold at a discount to CTL plate.”

## **PURCHASERS OF CUT-TO-LENGTH PLATE**

### **Characteristics and Uses**

\*\*\*

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\*\*\*

“Characteristics are the same. Uses differ. CTL plate for us is a minimum 48" wide. Wide flat bar (U.M. Plate) maximum is 12" wide.”

\*\*\*

“Characteristics and uses are similar.”

\*\*\*

“Bars in some cases have better edges and flatter.”

\*\*\*

“ASTM standards.”

\*\*\*

“Metric dimensions. U.S. flat bar mills do not produce flat bar to metric dimensions.”

\*\*\*

“Wide flat bars are produced on a non-continuous bar mill and are rolled sequentially on all four faces. Wide flat bars are not similar to CTL plate but are a different product with different specifications and different end uses. Wide flat bars could never be interchanged with standard CTL plate. Wide flat bar have superior surface finish, dimensional precision, and precise and clean edges and corners produced by rolling on a bar mill rather than cutting from plate produced on a plate mill.”

\*\*\*

“Our wide flat bars are up to 12"wide - CTL plate is 48" min to 96" max.”

\*\*\*

“As far as I can determine your definition of CTL plate includes most wide flat bar sizes.”

\*\*\*

“Same physical characteristics, yield and tensile strength.”

\*\*\*

“General characteristics are the same as compared to comparable CTL plate - end uses can be similar as well.”

### **Interchangeability**

\*\*\*

“Customers prefer flat bar - don’t have to pay for cutting out of plate.”

\*\*\*

“None.”

\*\*\*

“CTL plate and wide flat bars are interchangeable and can be substituted for each other easily. Some applications cannot use the slit CTL plate in place of wide flat bar.”

\*\*\*

“Cannot always be interchanged.”

\*\*\*

“For us, it is not interchangeable due to cost inefficiency and quality issues.”

\*\*\*

“None.”

\*\*\*

“CTL plate cannot be interchanged with wide flat bar required for cold drawing.”

\*\*\*

—

\*\*\*

“Most uses very interchangeable.”

\*\*\*

“Depends upon application of use if rolling or extruding.”

\*\*\*

“Interchangeability is dependent on specific customer end use.”

### **Channels of Distribution**

\*\*\*

“Most would use it interchangeably.”

\*\*\*

“Do not know end use. CTL plate is bought from mills, importers, and coil processors who inventory the product. Wide flat bar is bought from U.S. mini mills. We sell both to our customers.”

\*\*\*

“Wide flats have a variety of end use primarily in construction (ex. base plates for columns, lintels, etc.). Wide flats are usually sold through wholesale distribution or metal service centers.”

\*\*\*

“Unknown.”

\*\*\*

“They are not interchangeable so this does not apply.”

\*\*\*

“The product becomes part of a ship.”

\*\*\*

“\*\*\* purchases wide flat bar for consumption in its processing facilities. All wide flat bar is processed into cold drawn bar.”

\*\*\*

“Same as for CTL plate.”

\*\*\*

—

\*\*\*

“Similar channels of distribution.”

\*\*\*

“Construction and agricultural are some of the possible end uses; material is available mill direct or through service centers.”

### **Customer and Producer Perception**

\*\*\*

“Most would use it interchangeably.”

\*\*\*

“For \*\*\* they are two distinct products and we sell both to our customers. CTL is up to ½" thick, min 48" wide. Wide flat bar can be 2" thick, maximum 12" wide.”

\*\*\*

“The only perceived difference between wide flat bars and CTL plate is the edge condition. Wide flat bars have a universal rolled mill edge. CTL plate must be slit to the customer’s width.”

\*\*\*

“Unknown.”

\*\*\*

“They are not interchangeable so this does not apply.”

\*\*\*

“None.”

\*\*\*

“Wide flat bar is used for cold drawing and is not compatible with CTL plate.”

\*\*\*

—

\*\*\*

“Customers assume price lower.”

\*\*\*

“Unknown.”

\*\*\*

“Based upon end use, we do not believe customers perceive a difference.”

### **Price**

\*\*\*

“UM plate tends to be cheaper because you don’t pay for cutting.”

\*\*\*

“\*\*\* sells U.M. plate and CTL plate to the same end user - fabricators and some manufacturers. The cost for ½ x 10 U.M. plate x 20 is \$\*\*\* delivered. \*\*\* cost for ½ . 48 . 120 CTL plate is \$\*\*\* delivered \*\*\*.”

\*\*\*

“Wide flats are produced by a number of bar mills in the US. As a result of the increased supply of wide flats in the US, they are more competitively priced. CTL plate prices are dependent on the current flat roll coil prices. Currently, there are fewer US producers (and no import) and consequently carry a higher price than wide flat bars.”

\*\*\*

“Unknown.”

\*\*\*

“Not interchangeable for us.”

\*\*\*

“Prices trend in a similar manner.”

\*\*\*

“Pricing for wide flat bar rolled on bar mill is priced considerable higher than CTL plate and would not be considered as a substitute.”



\*\*\*

—

\*\*\*

—

\*\*\*

“Pricing is similar on a per CWT basis.”

\*\*\*

“Wide flat bar is normally sold at a discount to CTL plate.”

## **FOREIGN PRODUCERS OF CUT-TO-LENGTH PLATE**

### **Characteristics and Uses**

\*\*\*

“The wide flat bar \*\*\* produces is far more narrow than its CTL plate, which is produced in a range of 56 inches to 120 inches. (The maximum width of \*\*\*’s wide flat bar is 6 inches.) \*\*\*’s CTL plate product is also produced up to two inches thick, while the bar mill is limited to a thickness of 1 inch or less. Typically, \*\*\*’s wide flat bar production is utilized in applications such as leaf springs for the automotive industry or other commercial uses where a narrow flat product is required for mechanical or structural applications. In addition, any wide flat bar \*\*\* produces is strictly generic commercial grade product, while an overwhelming majority of \*\*\* CTL plate is more specialized. \*\*\*’s CTL plate product is used for a much wider range of applications for which wide flat bar is incapable of serving due to differences in dimension and grade.”

\*\*\*

“By definition, cut-to-length plate has edges and corners which have been damaged by a cutting operation (for example, by cold shearing or flame cutting) to cut the piece of steel down to a narrower size than its original wide plate form. This damage makes cut-to-length plate unsuitable for cold finishing or cold drawing. Wide flat bars can be rolled with round, radiused edges and corners, for use in the manufacture of off-highway wheels, whereas cut-to-length plate cannot. Similarly, wide flat bars can be rolled with chamfered or bevelled edges, on either one edge or both, for use in the manufacture of earthmover wearparts, whereas cut-to-length plate cannot.”

### **Interchangeability**

\*\*\*

“CTL plate and wide flat bar are not interchangeable. As stated above, most CTL plate applications are incapable of utilizing wide flat bar due to differences in dimension and grade. It would make no commercial sense to purchase CTL plate and further process that product for a wide flat bar application.”

\*\*\*

“In applications where the edge condition does not matter, e.g. structural fabrication, both wide flat bar and cut-to-length plate could be used. Where the edge condition is important, e.g. for cold finishing (cold drawing) cut-to-length plate is not suitable. Given the price premium charged by \*\*\*’s wide flat bar for cold finishing, its products would never be used for structural fabrication, where less expensive standard cut-to-length plate would suffice.”

## **Manufacturing Processes**

\*\*\*

“CTL plate and wide flat bar are produced on completely different rolling mills. Typically, a mill will also utilize a special caster for its bar mill. \*\*\* lacks this casting equipment. Any wide flat bar produced at the mill is made from slab scraps that are further processed so they will fit on the bar mill.”

\*\*\*

“Wide flat bars are rolled in bar mills which are always smaller than plate mills. Bar mills have a number of mill stands which sequentially roll the wide flat bars on all four faces. This enables very close control of thickness and width tolerances. Bars can be rolled with a variety of edge shapes - round, radiused, chamfered or bevelled.

Plate is rolled in large plate mills, typically, but not always on a reversing mill. The rolling process is therefore geared to roll top and bottom surfaces predominantly, with minimal rolling of the edges. While there can be a reasonable control of thickness tolerance, the control of width tolerance is poor. Plate is typically produced in widths of 1500 mm or wider, and therefore has to be cut down by cold shearing, or flame cutting to provide customers with narrower sizes.”

## **Channels of Distribution**

\*\*\*

“The majority of \*\*\*’s CTL plate production is sold directly to end-users. \*\*\*’s flat bar production is sold almost exclusively to service centers in \*\*\*.”

\*\*\*

“Plate is typically produced in large volumes, and can be regarded to a great degree as a semi-finished product since it predominantly has to be cut down in width, and cut-to-length before being used. Because of this, most plate is mostly sold by its producers to stockholders or service centres who carry out this cutting, or distribute the plates to plate profiling companies.

Because wide flat bars are produced in much smaller volumes, especially for industries such as cold finishing (cold drawing), they are much more often shipped directly to the final user of the steel.”

## **Customer and Producer Perception**

\*\*\*

“\*\*\* consider CTL plate and wide flat bar to be completely different products, as do \*\*\*’s customers.”

\*\*\*

“\*\*\*’s experience is that:

Cold finishing (cold drawing) customers cannot use the sharp and damaged corners that are a feature of cut-to-length plate.

Many customers do not like the sharp corners that cut-to-length plate displays, and prefer instead the safer and smoother corners that are a fundamental feature of wide flat bars. There are very obvious

health and safety hazards from sharp corners in situations where cut-to-length plate has to be manually handled, or where those edges are exposed in finished products.

Fabricators making steel framed buildings prefer to saw cut square or rectangular base plates in bundles from wide flat bar, because it is more convenient than cutting them from plate by saw cutting. In other words, fabricators' large and expensive plate profiling machines are much more profitably employed profiling larger and more complex profiles than simple square or rectangular ones which can more easily be cut from wide flat bars. Manufacturers of off highway wheels, who initially roll steel into hoops before welding, prefer the cross sectional symmetry inherent in wide flat bars. Cut-to-length plate often does not display that symmetry because it has, by definition, been cut down from a larger piece of plate, which can result in thickness variance across the width. Also, the sharp corners on cut-to-length plate damages tooling, and can 'burr' over in the manufacturing process, unlike when the smooth corners that wide flat bars have are used."

### **Price**

\*\*\*

"Given the nature of \*\*\*'s production, the price of its wide flat bar is substantially lower than CTL plate prices."

\*\*\*

"Wide flat bars that are sold for specialist applications such as for cold finishing (cold drawing), are always sold at a premium over equivalent cut-to-length plate products. This is because the cold finishing industry recognises the superior quality and properties of wide flat bars."

The following companies either did not respond, responded with an N/A, or responded by saying that they did not have the knowledge to answer the questions:

Producers: \*\*\*.

Importers: \*\*\*.

Purchasers: \*\*\*.

Foreign Producers: \*\*\*.

Source: Compiled from Commission questionnaires.



## **APPENDIX G**

### **COMMENTS BY U.S. PRODUCERS, IMPORTERS, AND PURCHASERS REGARDING CARBON AND MICRO-ALLOY STEEL CTL PLATE**



## **U.S. PRODUCERS OF CUT-TO-LENGTH PLATE**

### **Characteristics and Uses**

\*\*\*

“Used in bridges, cranes, trailers, cold weather applications where charpy toughness values are critical, abrasive applications where hardness is critical, and any high strength application requiring high tensile loading.”

\*\*\*

“Micro-alloy steels generally have higher strength characteristics than run-of-the-mill grades. Some have special resistance to weathering elements. They are used for high strength applications in general.”

\*\*\*

“Micro-alloy steel (MAS) and cut-to-length plate (CTL) are both structural materials; however, MAS is used primarily in bridge fabrication. MAS has higher mechanical properties than CTL.”

\*\*\*

“When compared to carbon grade CTL plate, micro-alloy steel plates have higher strength and toughness characteristics. These attributes are specific to the grade of steel required by the end use customer, but are not discernible in the as-rolled condition of the plate. Only when the plates are metallurgically tested through either destructive or non-destructive methods are these differences apparent. The end use of these plates may be the same as for carbon plate applications. However, micro-alloy steels are usually priced higher than carbon grades due to the costs for the additional alloying elements. To achieve even greater strength and toughness characteristics, one would need to specify an alloy grade of CTL plate, which has significantly higher alloying elements than micro-alloy steels and is usually heat treated to provide additional characteristics such as formability and ductility. These products are typically priced higher than carbon and micro-alloy CTL plates due to the additional heat treat operations plus alloying and testing requirements involved.”

\*\*\*

“Following the definitions of micro-alloy steel pertaining to this review information, \*\*\* produces a few grades on a regular basis – A588, 4140, 4130. Grade A588 items are high strength low alloy items specified for use in atmospheric corrosion resistant applications such as steel bridge component parts.”<sup>1</sup>

\*\*\*

“As defined (page 9 of instructions) micro-alloy steel is typically higher strength steel than carbon (A36) and HSLA (A572-50) steels, with elevated tensile strength, improved toughness and higher hardness. End uses are often for specific applications, such as; construction and earth-moving/mining equipment, rail cars, line pipe, poles and towers, armored vehicles, and machine parts and bridges.”

\*\*\*

“As we resell this product, grade is specified by our customers.”

---

<sup>1</sup> The company noted that alloy products produced to AISI 4140 and 4340 are specified for use in applications requiring high hardenability characteristics such as the tool and die industry.

\*\*\*

“Microalloy plate can have the same characteristics and end uses to comparable CTL plate.”

\*\*\*

“Flatness and thickness identical. Micro-alloy steel more weldable at a given strength level, and offers significantly higher strength levels. End uses: highway truck and trailer frames and components, crane booms, roll-over protective structures, air tanks.”

\*\*\*

“In most of the end uses described in response to Question IV-B-II, carbon and micro-alloy plate would be interchangeable unless the customer specification restricted certain alloys for improved weldability.”

### **Interchangeability**

\*\*\*

“Very interchangeable unless edge quality is critical. Driver/decider if all else is equal is generally price and availability. Also, torchcut can be a negative due to the potential of heat affected zone (HAZ) where original physical properties are lost.”

\*\*\*

“M-A steels are interchangeable with ordinary steels although they generally command a higher price and would not be used when a less expensive “garden variety” steel would suffice. The opposite is not true however. Lower strength steels will not be placed in high strength applications. M-A steels are good substitutes where strength is required along with less weight.”

\*\*\*

“Both products can be used in structural applications; MAS can be a substitute for CTL, but not necessarily the reverse.”

\*\*\*

“Micro-alloy steels may be interchanged with regular carbon grades. However, in addition to the cost issue discussed above, micro-alloy steels provide a weight savings advantage due to the gage reduction realized from the increased strength levels achieved from the alloy additions.”

\*\*\*

“Grade A588 can be used in high strength low alloy applications not requiring atmospheric corrosion resistance characteristics.”

\*\*\*

“Micro-alloy steel is typically not interchangeable with carbon steel due to the higher strength exceeding design criteria and higher cost exceeding budget criteria.”

\*\*\*

“As we resell this product, grade is specified by our customers.”

\*\*\*

“Interchangeability is dependent on specific end use.”



\*\*\*

“Thinner micro-alloy steel can be substituted for other cut-to-length plate with no loss of strength, but micro-alloy is preferred.”

\*\*\*

“In most of the end uses described in response to Question IV-B-II, carbon and micro-alloy plate would be interchangeable unless the customer specification restricted certain alloys for improved weldability.”

### **Manufacturing Processes**

\*\*\*

“Melting process essentially the same. Hot rolled to either exact width needed (bar mill) or rolled in wide plates, strip and slit or burned to required width. Heat treating is required for many applications but is the same on wide flats and CTL plate.”

\*\*\*

“Manufacturing processes are the same, but larger amounts of alloying elements are used in MAS. MAS plate may also have some type of heat treatment.”

\*\*\*

“Micro-alloy steels are produced on the same equipment utilizing the same labor force as carbon and alloy grades. The difference between the grades is achieved in the steelmaking process or melt practice. The micro-alloy and alloy grades employ higher chemical and alloy additions at the steel making process than are utilized in the production of standard carbon grades of steel. Additionally, varying refining, rolling, and heat treating methods are employed for micro-alloy and alloy plates versus carbon grades.”

\*\*\*

“\*\*\* uses the same production practices and manufacturing processes for all grades produced.”

\*\*\*

“Micro-alloy steel is often control-temperature rolled (TMCP) or heat treated to achieve properties.”

\*\*\*

“Some additional testing is required of micro-alloy product to confirm mechanical properties.”

\*\*\*

—

\*\*\*

“Our vendors control via melting and rolling practice, but at our facility, Micro-Alloy is more difficult to level.”

\*\*\*

“Carbon and micro-alloy plate are made on the same equipment and with the same employees.”

### **Channels of Distribution**

\*\*\*

“Same.”

\*\*\*

“Same.”

\*\*\*

“Both products are sold to fabricators and service centers.”

\*\*\*

“The carbon, micro-alloy, and alloy plate grades are marketed and sold through the same distribution channels.”

\*\*\*

“Steel service centers, steel bridge and other steel fabricators.”

\*\*\*

“Micro-alloy steel is sold to both OEM's (end users) and to steel distributors.”

\*\*\*

“No difference.”

\*\*\*

“Material is used where corrosion resistance, internal soundness and/or mechanical properties are important criteria.”

\*\*\*

“OEM as shown in (a).”

\*\*\*

“Carbon and micro-alloy plate are sold in the same channels of distribution.”

### **Customer and Producer Perception**

\*\*\*

“Edge quality is far better on bar mill rolled product. However, customer/producer will opt for best price/delivery unless edge quality critical.”

\*\*\*

—

\*\*\*

“MAS is considered to be a higher quality product than CTL. There is no difference in sales and marketing practices.”

\*\*\*

“Typically, it is at the discretion of the customer to specify the grade of steel they require for an end use application. Customers generally know to order a higher strength grade based upon the application.”

\*\*\*

“Micro-alloy steel items produced by \*\*\* are marketed the same way as all other products.”

\*\*\*

“Micro-alloy steels are often specified for specific end use applications with properties tailored to design criteria - whereas carbon steel is used in more generic applications. Also, direct engineering contacts between the producer and end user is common.”

\*\*\*

“Grade extras for micro-alloy product are passed on to the customers.”

\*\*\*

“We do not believe there is a perceived difference in comparable grades.”

\*\*\*

“OEM as shown in (a).”

\*\*\*

“Customers and producers see no differences in carbon and micro-alloy plate that is made for the same application.”

### **Price**

\*\*\*

“None.”

\*\*\*

“M-A steels command a premium.”

\*\*\*

“MAS usually carries an extra of \*\*\* per cwt over CTL. Heat treatment and special requirements (CVN, UT, etc.) are extra and can run \*\*\* per cwt.”

\*\*\*

“Certain premiums are charged for micro-alloy and alloy plates versus carbon plates due to the manufacturing process and alloy additions or richer chemistries. These grades are recognized as higher value products in the marketplace. However, at times, some competitors may moderate the premium charged in order to secure an attractive segment of business or to fill their mills.”

\*\*\*

“Base prices for the few micro-alloy grades produced by \*\*\* are generally \$\*\*\* to \$\*\*\* per ton higher than base prices for basic CTL plate items.”

\*\*\*

“Depending on the strength level and processing required (heat treating for example) micro-alloy steels can demand a price \*\*\* higher than carbon (A36) steel.”

\*\*\*

“Similar by grade.”

\*\*\*

“Net price is more expensive, but features make it a viable competitive option.”

\*\*\*

“The price of plate is based on the gauge range and any extras regardless of whether the plate in question is carbon or micro-alloy.”

## **IMPORTERS OF CUT-TO-LENGTH PLATE**

### **Characteristics and Uses**

\*\*\*

“Load bearing high strength applications.”

\*\*\*

“Micro-alloys are used for more demanding applications requiring, for example, higher wear resistance, strength or tensile properties, with less weight.”

\*\*\*

“Micro-alloys are used for more demanding applications requiring, for example, greater wear resistance, strength or tensile properties, with less weight.”

\*\*\*

“Micro-alloy steels generally have higher strength characteristics than run-of-the-mill grades. Some have special resistance to weathering elements. They are used for high strength applications in general.”

\*\*\*

“Alloy plate is used for armor, abrasion resistant, wear sensitive and high strength. Carbon plate is used for weight, area coverage and some critical parts.”

\*\*\*

“Micro-alloy steel has higher strength.”

\*\*\*

“Not comparable.”

\*\*\*

“As we resell this product, grade is specified by our customers.”

\*\*\*

“Microalloy plate can have the same characteristics and end uses to comparable CTL plate.”

### **Interchangeability**

\*\*\*

—

\*\*\*

“Micro-alloys can be downgraded, although price differentials generally make this unappealing. Carbon generally cannot be used for micro-alloy applications.”

\*\*\*

“Micro-alloys can be downgraded, although price differentials generally make this unappealing. Generally carbon cannot be substituted for micro-alloy applications.”

\*\*\*

“M-A steels are interchangeable with ordinary steels although they generally command a higher price and would not be used when a less expensive “garden variety” steel would suffice. The opposite is not true however. Lower strength steels will not be placed in high strength applications. M-A steels are good substitutes where strength is required along with less weight.”

\*\*\*

“In my view they are not interchangeable.”

\*\*\*

“End usages do not differ, but microalloy is used for more higher quality material.”

\*\*\*

“Not comparable.”

\*\*\*

“As we resell this product, grade is specified by our customers.”

\*\*\*

“Interchangeability is dependent on specific end use.”

### **Channels of Distribution**

\*\*\*

“Resale, OEM, heavy equipment manufacturers.”

\*\*\*

“Micro-alloys are usually purchased by OEMs or for specific jobs. Carbon is typically purchased in standard grades for inventory.”

\*\*\*

“Micro-alloys are usually purchased by OEMs or for specific jobs. Carbon is typically purchased in standard grades for inventory.”

\*\*\*

“Same.”

\*\*\*

“Same.”

\*\*\*

—

\*\*\*

“Not comparable.”

\*\*\*

“Same for all products.”

\*\*\*

“Material is used where corrosion resistance, internal soundness and/or mechanical properties are important criteria.”

### **Customer and Producer Perception**

\*\*\*

“Greater longevity, wear resistance, and strength.”

\*\*\*

“Micro-alloys are perceived as suitable for demanding applications. Micro-alloys are perceived as significantly more expensive.”

\*\*\*

“Micro-alloys are perceived as suitable for demanding applications. Micro-alloys are perceived as significantly more expensive.”

\*\*\*

—

\*\*\*

“Alloy plates are much more expensive.”

\*\*\*

“If in need of high quality material, some customers require microalloy.”

\*\*\*

“Not comparable.”

\*\*\*

“No differences.”

\*\*\*

“We do not believe there is a perceived difference in comparable grades.”

### **Price**

\*\*\*

“Varies. Micro-alloy steel \*\*\*% greater.”

\*\*\*

“Micro-alloys are significantly more expensive.”

\*\*\*

“Micro-alloys are significantly more expensive.”

\*\*\*

“M-A steels command a premium.”

\*\*\*

“In some grades alloys can be \$\*\*\* a ton more expensive.”

\*\*\*

—

\*\*\*

“Not comparable.”

\*\*\*

“Grade extras for micro-alloy products are passed on to the customers.”

\*\*\*

“Similar by grade.”

## **PURCHASERS OF CUT-TO-LENGTH PLATE**

### **Characteristics and Uses**

\*\*\*

“Using the definition of micro-alloy CTL plate to include Q&T (heat treated alloy) CTL plate, the differences include: higher alloy content and higher strength. This steel is used for welded structural components requiring a higher strength than that of carbon steels. They are also used for abrasion resistant parts, such as dump truck bodies, and tractor blades and buckets.”

\*\*\*

“Customers have different welding and fabricating practices.”

\*\*\*

“Higher strength and formability.”

\*\*\*

“Microalloy plate can have the same characteristics and end uses to comparable CTL plate.”

### **Interchangeability**

\*\*\*

“Typically, carbon steel plate and micro-alloy (including Q&T) plate are not interchangeable due to the chemistry and strength differences.”

\*\*\*

“This is at the discretion of the customer.”

\*\*\*

“Not interchangeable due to customer needs (requirements).”

\*\*\*

“Interchangeability is dependent on specific end use.”

### **Channels of Distribution**

\*\*\*

“Product is purchased directly for manufacture of parts used for tractors and for parts sales.”

\*\*\*

“End use is in general fabrication and O.E.M. work. Distribution through normal service channels.”

\*\*\*

—

\*\*\*

“Material is used where corrosion resistance, internal soundness and/or mechanical properties are important criteria.”

### **Customer and Producer Perception**

\*\*\*

“New high strength (non heat treated) steels are starting to compete with traditional alloy Q&T steel plate. However, Q&T alloy plate does not usually compete with carbon plate.”

\*\*\*

“None.”

\*\*\*

“Actual product and price differences due to nature of product.”

\*\*\*

“We do not believe there is a perceived difference in comparable grades.”

### **Price**

\*\*\*

“The price of the alloy and Q&T plate is higher than carbon CTL plate due to the richer chemistries and extra processing in the case of Q&T plate.”

\*\*\*

“Normally extracts premium over other carbon grades.”

\*\*\*

—

\*\*\*

“Similar by grade.”



The following companies either did not respond, responded with an N/A, or responded by saying that they did not have the knowledge to answer the questions:

Producers: \*\*\*.

Importers: \*\*\*.

Purchasers: \*\*\*.

Source: Compiled from Commission questionnaires.



## **APPENDIX H**

### **COMMENTS BY U.S. PRODUCERS, IMPORTERS, AND PURCHASERS REGARDING CARBON AND MICRO-ALLOY CORROSION-RESISTANT STEEL**



## **U.S. PRODUCERS OF CORROSION-RESISTANT STEEL**

### **Characteristics and Uses**

\*\*\*

“In most of the end uses described in our response to Question IV-V-11, carbon and micro-alloy corrosion-resistant would be interchangeable unless the customer spec restricted certain alloys for improved formability.”

### **Interchangeability**

\*\*\*

“In most of the end users described in our response to Question IV-V-11, carbon and micro-alloy corrosion-resistant would be interchangeable unless the customer spec restricted certain alloys for improved formability.”

### **Manufacturing Processes**

\*\*\*

“Carbon and micro-alloy corrosion-resistant are made on the same equipment and with the same employees.”

### **Channels of Distribution**

\*\*\*

“Carbon and micro-alloy corrosion-resistant are sold in the same channels of distribution.”

### **Customer and Producer Perception**

\*\*\*

“Customers and producers see no differences in carbon and micro-alloy corrosion-resistant that is made for the same applications.”

### **Price**

\*\*\*

“The price of corrosion-resistant is based on the gauge range, coating weights and any extras whether the corrosion-resistant in question is carbon or micro-alloy.”

## IMPORTERS OF CORROSION-RESISTANT STEEL

### Characteristics and Uses

\*\*\*

“Microalloy (IFS titanium bearing) steels are used for deep drawing applications such as heat shields, baking pans, etc.”

\*\*\*

“In order to meet increasing requirements for both crash safety and Corporate Average Fuel Economy (CAFE) regulations in the automotive industry, corrosion-resistant steel producers have developed grades of steels with higher strength and/or better formability. These steels allow automakers to design parts with more intricate shapes, or parts with higher component strength at lighter thicknesses. The development of these new grades has generated a significant increase in the use of these corrosion-resistant steels by the automakers, which in turn drives more development of steels with higher and better combinations of strength and formability.

Steels designed in response to the auto industry include Interstitial Free (IF grades like Extra Deep Drawing Steel (EDDS), Enhanced Extra Deep Drawing Steel (EEDDS) and Bake Hardenable (BH), High Strength Low Alloy (HSLA) grades, and Advanced High Strength Steels (AHSS) like Dual Phase (DP). Additionally, corrosion resistance has become increasingly important as warranties against perforation corrosion have increased to 10 - 12 years on automotive body panels.

The most formable grades of steel are generally called “interstitial free”, or IF grades. On an atomic scale, interstitials are spaces where small atoms like carbon and nitrogen can squeeze in between regularly spaced larger iron atoms. Interstitial elements make the final steel product harder and much less formable. Thus “interstitial free” steels are steels that do not have elements such as carbon and nitrogen in the interstitial sites. Trace amounts of carbon and nitrogen will always exist in commercially produced steel as it would be prohibitively expensive to remove 100% of these elements in liquid steel prior to solidification. Fortunately, carbon and nitrogen atoms can be prevented from going to those interstitial sites by tying them up with alloying elements such as titanium (Ti) or columbium (Cb, also known as niobium, Nb), or less often, vanadium (V). The levels of these alloying elements are carefully controlled to be certain to tie up (“precipitate”) all potential interstitial elements. Excessive amounts of alloying elements harden the steel, making it less formable.

IF grades of steel are generally used on deeply drawn outer body panels (e.g. body sides), or inner panels that have a high degree of forming required (e.g. floor pans or dash panels). Many of these parts are extremely large with demanding formability requirements, making the control of alloy elements critical. Development of this type of steel with improved formability has allowed automotive companies to produce larger panels - for instance, in the past they may have required three separate pieces to produce the front floor pan whereas now most front floor pans can be produced from a single sheet of highly formable IF steel. This, in turn, has driven a significant growth in the use of this type of steel grade.

“Bake hardenable” (BH) is a particularly specialized form of IF steel that has been developed for auto body panels requiring good formability during manufacture, yet good dent/ding resistance while in service (e.g. outer doors, fenders) - that is, the steel is almost as formable as, but harder than, regular IF steels. BH steel has almost all of the carbon and nitrogen tied up with Ti or Cb alloying elements. Thus the steel is very formable. However a small, controlled amount of carbon and nitrogen is not tied up with Ti or Cb so that when the formed door is painted then baked to cure and harden the paint, the remaining unalloyed C and N settle in interstitial sites and harden the steel. These steels have such a good

combination of improved formability and finished strength that their use is expanding to underbody applications.

Advanced High Strength Steels, or AHSS grades, are now being developed to meet increasing needs for higher strength and formability at lighter thicknesses. Because of their unique work hardening characteristics, these grades of steel are being used for structural and safety components where crash management protects occupants.

Dual phase steels are one particular type of AHSS where, due to a combination of alloying elements and specialized processing, the steel is comprised of two different phases allowing a combination of toughness and formability. Because Dual phase steels are difficult to produce and complex to use, they have been developed by only a few specialized, high quality mills and specified for use only on vehicles developed in North America in the past few years. Design engineers for \*\*\* specifically targeted the use of this type of steel to introduce a vehicle with the highest North American percentage of advanced high strength steels for advanced crash management and occupant safety. The use of this type of steel for structural parts will continue to grow as more mills develop the capability to produce it.

Changing patterns in the use of steel will continue in the automotive industry as government safety regulations increase, as CAFE requirements increase, as gas prices increase, and as the steel supply industry itself develops new more formable grades of steel.

Subject corrosion resistant steel are used for many uses in the automotive and construction market segments. Substantial shipments are made through service centers to end users as well. Service centers perform several functions - holding inventory for small and large manufacturers for JIT delivery, selling steel to smaller buyers that do not consume enough steel to qualify as mill accounts, and specialized finishing that they are generally able to do more economically than mills.”

\*\*\*

“Micro alloys may affect the formability of the steel as it pertains to a certain specific end use such as pipe formation. It also can affect the weldability.”

\*\*\*

“Microalloy is used as a substitute for carbon steel to gain improved properties. Microalloy steels have higher strength, finer grain, improved surface appearance, improved fracture properties, which allow for weight reductions, better formability, better weldability, and better structural integrity.”

\*\*\*

“Characteristics – Excellent heat resistance, formability weldability.  
Usage – Exhaust system, heat exchanger.”

\*\*\*

“It might be necessary to micro-alloy in order to achieve higher strength levels than normally available in ‘other corrosion resistant steel.’”

\*\*\*

“Alloy steel is used in more demanding applications where carbon grades cannot yield the necessary results for the manufacturing of the finished project.”

\*\*\*

“Alloy grades of corrosion resistant steel provide more suitable properties for robust and continuous stamping performance. Customer specifications are considered guidelines, as in the end the supplier has to guarantee the performance. To meet the stringent requirements both in terms of quality but also in terms of stamping productivity alloy grades are often used for complex deep drawn or stretched formed parts.”

\*\*\*

“Micro alloy steel contains alloying elements which improve the performance of the steel.”

\*\*\*

“\*\*\* has not purchased any micro-alloyed steel that we are aware of. This material is generally intended for high strength and highly formability applications.”

### **Interchangeability**

\*\*\*

“Microalloys can be substituted for carbon steels in limited cases, for specific applications and markets. However, carbon steel can rarely if ever be substituted for microalloys.”

\*\*\*

“The automotive companies design the parts based on the knowledge of how the steel will form. Dies are designed to stamp the parts based on how the steel will form, and these dies are usually “tuned” to the steel of the company that worked on the part from the Early Vendor Involvement (EVI) stage. As a result of this process, alloy and subject corrosion resistant steels cannot be interchanged one with the other.”

\*\*\*

“Depending on the final end use, the materials may be interchangeable.”

\*\*\*

“Microalloy and carbon steels are generally interchangeable with allowances for weight and strength.”

\*\*\*

“We don't have any idea because we supply this product by requests of the customer.”

\*\*\*

“The end-uses might be similar but a customer would not specify a higher strength level than needed since it would cost more.”

\*\*\*

“None that we are aware of.”

\*\*\*

“With the very different end uses in sheet steel for automotive production, from high formability to very high strength applications, products are not considered interchangeable.”

\*\*\*

“Other corrosion resistant steels and micro alloy steels are not interchangeable.”



\*\*\*

“We understand that micro-alloyed steel can be used for simpler applications that do not necessarily require the micro-alloying.”

### **Channels of Distribution**

\*\*\*

“Same as for corrosion resistant.”

\*\*\*

“Alloy steels are sold almost exclusively to the automotive industry. Subject corrosion resistant steel also are sold directly to the automotive industry. For the construction market segment, subject corrosion resistant steel can be sold directly to the end user or through service centers.”

\*\*\*

“Mainly steel service centers. Some end users/OEM's.”

\*\*\*

“The channels of distribution are generally the same for both carbon and microalloy steels.”

\*\*\*

“This product has not that specific channels of distribution. The volume of the sales is quite small compared to other CORE.”

\*\*\*

“The channels of distribution are usually the same: either direct to an end-user or to a service centre for eventual shipment to an end-user or a construction company.”

\*\*\*

“Alloy material is normally more end-use specific and requires a close cooperation between the mill and the end user even if the product is distributed and processed by a third party. Normal carbon grades for general warehouse and distribution used in construction and less demanding applications would require minimal technical support and would be interchangeable between most producers.”

\*\*\*

“In view of the very complex applications and demanding production performance, a very close working relationship between the producer and the end user is a necessity, and technical transparency is maintained should on occasion a third party participate in processing. The material supply to the automotive customer is always done with the supervision and oversight of the mills representatives or their designates.”

\*\*\*

“End-users, mainly automotive.”

\*\*\*

“We believe such to be the same.”

## **Customer and Producer Perception**

\*\*\*

“Microalloy steels are much more formable, with better yields, but are more difficult and expensive to produce. Microalloys are therefore priced higher than carbon steels.”

\*\*\*

“Alloy steels are sold almost exclusively to the automotive industry. Subject corrosion resistant steel also are sold directly to the automotive industry. For the construction market segment, subject corrosion resistant steel can be sold directly to the end user or through service centers.”

\*\*\*

“Customers perceive specific micro alloy contents will produce a better product. Or, engineers may have specified certain chemistries.”

\*\*\*

“Microalloy steels are preferred by some customers for some applications.”

\*\*\*

“We supply “Mill Test Certificate” showing every contents of chemical compositions.”

\*\*\*

“Micro-alloy steel is more costly and used in more specialized applications.”

\*\*\*

“Alloy material is normally more end-use specific and requires a close cooperation between the mill and the end user even if the product is distributed and processed by a third party. Normal carbon grades for general warehouse and distribution used in construction and less demanding applications would require minimal technical support and would be interchangeable between most producers.”

\*\*\*

“As described in answer (c) above, this is a highly specialized business environment and each application needs to be viewed independently and is perceived by both parties accordingly.”

\*\*\*

“Due to high alloy elements, higher production costs and higher prices.”

\*\*\*

“Micro-alloyed steel is of higher quality.”

## **Price**

\*\*\*

“Prices for these products are market-driven.”

\*\*\*

“Pricing is generally higher for alloy steel. For example, two very similar \*\*\* items, one subject goods, and one alloy sell for \$\*\*\*/nt and \$\*\*\*/nt, respectively.”

\*\*\*

“Price extras depend upon customers' specific micro alloying requirements.”

\*\*\*

“Prices of microalloy steels are generally slightly higher than for carbon steels.”

\*\*\*

“The market for the product is not that fluctuate compared to other CORE products because the supply and demand is very limited.”

\*\*\*

“The price of micro-alloy steel is higher than ‘corrosion resistant steel.’ ”

\*\*\*

“Alloy grades by the specific end use would fluctuate less over a period of time since those grades tend to be contracted firm for a specific quantity or for a specific time frame and over time would provide for higher returns. Carbon grades which may be readily interchangeable by producers and have broader availability tend to follow a commodity pricing pattern with frequent price changes.”

\*\*\*

“Price is individually formulated as to the specific end use and parts, as well as the cost of production taking into account the customer's ultimate requirements in quality and productivity.”

\*\*\*

“Due to high alloy elements, higher production costs and higher prices.”

\*\*\*

“Micro-alloyed steel costs more.”

## **PURCHASERS OF CORROSION-RESISTANT STEEL**

### **Characteristics and Uses**

\*\*\*

“Physical characteristics are the same, but uses are concentrated into critical structural application.”

\*\*\*

“Yield, tensile and carbon are higher and aluminum or titanium content is lower than other products.”

\*\*\*

“Microalloys corrosion resistant steels have higher portions of columbium, titanium and chromium to stabilize the steel and make it more formable than corrosion resistant steel.”

\*\*\*

“Current purchases of sheet steel are not specified as Microalloy by the \*\*\* used in stampings. In the process of making some grades alloys are used to stabilize the chemistry to make a steel that is easier to form and produce parts. Alloys in the amounts specified by the Microalloy definition in the instructions to this questionnaire are mainly used for certain higher strength grades to create a more formable corrosion resistant material.”

\*\*\*

“We do not know about physical characteristics other than descriptions. End usage = Fireplace, Burner, Muffler, etc.”

\*\*\*

“Alloyed corrosion resistant steel is superior to carbon steel for severe end users.”

### **Interchangeability**

\*\*\*

“No interchangeability.”

\*\*\*

“Microalloy material is used mainly for structural automotive end use applications. Material is specified by end user.”

\*\*\*

“None.”

\*\*\*

“Sheet steel for vehicles is designed by specific grades and not by the chemistry makeup. Mills determine the chemistry to meet the physical properties specified by \*\*\*.”

\*\*\*

“Not really interchangeable. For example, Galvanized/Galvalume products are utilized in panel/HVAC ducts where aluminizeds are used in fireplace, burner, cookware, etc.”

\*\*\*

“Not.”

### **Channels of Distribution**

\*\*\*

“Channels of distribution are the same.”

\*\*\*

“Automotive end use and market.”

\*\*\*

—

\*\*\*

“Direct purchases from major mill supply sources.”

\*\*\*

“We sold to tubing manufacturer and service centers.”

\*\*\*

“Automotive.”

## **Customer and Producer Perception**

\*\*\*

“Microalloy corrosion-resistant carbon steels are seen as a value add product.”

\*\*\*

“None.”

\*\*\*

“Not perceptible by our customers.”

\*\*\*

“None.”

\*\*\*

“None.”

\*\*\*

—

## **Price**

\*\*\*

“In general the prices for microalloy corrosion-resistant carbon steels are higher.”

\*\*\*

“Microalloy steel pricing is higher than some product and lower than some product.”

\*\*\*

“Requires a longer process to make and value added increases price \*\*\*%.”

\*\*\*

“Pricing is negotiated for each grade and currently this type material would be furnished by the steel supplier only when necessary to meet specifications.”

\*\*\*

“Generally prices are comparable to those carbon corrosion resistant flat products.”

\*\*\*

—

The following companies either did not respond, responded with an N/A, or responded by saying that they did not have the knowledge to answer the questions:

Producers: \*\*\*.

Importers: \*\*\*.

Purchasers: \*\*\*.

Source: Compiled from Commission questionnaires.

## **APPENDIX I**

### **COMMENTS BY U.S. PRODUCERS, IMPORTERS, PURCHASERS, AND FOREIGN PRODUCERS REGARDING THE EFFECTS OF THE ORDERS ON CTL PLATE AND THE LIKELY EFFECTS OF REVOCATION**





## U.S. PRODUCERS OF CUT-TO-LENGTH PLATE

**II-4.** Would your firm anticipate any changes in the character of your operations or organization (as noted above) relating to the production of cut-to-length plate in the future if the countervailing duty and/or antidumping duty orders on cut-to-length plate from the subject countries were to be revoked? If your response differs for any country, please indicate.

\* \* \* \* \*

**II-17.** Describe the significance of the existing countervailing duty and/or antidumping duty orders covering imports of cut-to-length plate from subject countries in terms of its effect on your firm's production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. You may wish to compare your firm's operations before and after the imposition of the order. Please indicate if your response differs by country.

\* \* \* \* \*

**II-18.** Would your firm anticipate any changes in its production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of cut-to-length plate in the future if the countervailing duty and/or antidumping duty orders on cut-to-length plate from subject countries were to be revoked? Please indicate if your response differs by country.

\* \* \* \* \*

## U.S. IMPORTERS OF CUT-TO-LENGTH PLATE

**II-4.** Would your firm anticipate any changes in the character of your operations or organization (as noted above) relating to the importation of cut-to-length plate in the future if the countervailing duty and/or antidumping duty orders on cut-to-length plate from the subject countries were to be revoked? If your response differs for any country, please indicate.

\* \* \* \* \*

**II-14.** Describe the significance of the existing countervailing duty and/or antidumping duty orders covering imports of cut-to-length plate from subject countries in terms of its effect on your firm's imports, U.S. shipments of imports, and inventories. You may wish to compare your firm's operations before and after the imposition of the order.

\* \* \* \* \*

**II-15.** Would your firm anticipate any changes in its imports, U.S. shipments of imports, or inventories of cut-to-length plate in the future if the countervailing duty and/or antidumping duty orders on cut-to-length plate from the subject countries were to be revoked?

\* \* \* \* \*

## U.S. PURCHASERS OF CUT-TO-LENGTH PLATE

The Commission requested U.S. purchasers to describe any potential effects on (1) the future activities of your firm and (2) the U.S. market as a whole if the antidumping/countervailing duty orders covering imports of CTL plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom were revoked. (Question III-35). The following are quotations from the responses of purchasers.

\* \* \* \* \*

## FOREIGN PRODUCERS OF CUT-TO-LENGTH PLATE

II-3. Would your firm anticipate any changes in the character of your operations or organization (as noted above) relating to the production of cut-to-length plate in the future if the countervailing duty and/or antidumping duty orders on cut-to-length plate from subject countries were to be revoked?

\* \* \* \* \*

II-15. Describe the significance of the existing countervailing duty and/or antidumping duty orders covering imports of cut-to-length plate from the subject countries in terms of their effect on your firm's production capacity, production, home market shipments, exports to the United States and other markets, and inventories. You may wish to compare your firm's operations before and after the imposition of the order.

\* \* \* \* \*

II-16. Would your firm anticipate any changes in its production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of cut-to-length in the future if the countervailing duty and/or antidumping duty orders on cut-to-length plate from the subject countries were to be revoked?

\* \* \* \* \*

## **APPENDIX J**

### **COMMENTS BY U.S. PRODUCERS, IMPORTERS, PURCHASERS, AND FOREIGN PRODUCERS REGARDING THE EFFECTS OF THE ORDERS ON CORROSION-RESISTANT STEEL AND THE LIKELY EFFECTS OF REVOCATION**



## U.S. PRODUCERS OF CORROSION-RESISTANT STEEL

**II-4.** Would your firm anticipate any changes in the character of your operations or organization (as noted above) relating to the production of corrosion-resistant steel in the future if the countervailing duty and/or antidumping duty orders on corrosion-resistant steel from the subject countries were to be revoked?

\* \* \* \* \*

**II-18.** Describe the significance of the existing countervailing duty and/or antidumping duty orders covering imports of corrosion-resistant steel from subject countries in terms of its effect on your firm's production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. You may wish to compare your firm's operations before and after the imposition of the order. Please indicate if your response differs by country.

\* \* \* \* \*

**II-19.** Would your firm anticipate any changes in its production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of corrosion-resistant steel in the future if the countervailing duty and/or antidumping duty orders on corrosion-resistant steel from subject countries were to be revoked? Please indicate if your response differs by country.

\* \* \* \* \*

## IMPORTERS OF CORROSION-RESISTANT STEEL

**II-4.** Would your firm anticipate any changes in the character of your operations or organization (as noted above) relating to the production of corrosion-resistant steel in the future if the countervailing duty and/or antidumping duty orders on corrosion-resistant steel from the subject countries were to be revoked?

\* \* \* \* \*

**II-13.** Describe the significance of the existing countervailing duty and/or antidumping duty orders covering imports of corrosion-resistant steel from subject countries in terms of its effect on your firm's imports, U.S. shipments of imports, and inventories. You may wish to compare your firm's operations before and after the imposition of the orders.

\* \* \* \* \*

**II-14.** Would your firm anticipate any changes in its imports, U.S. shipments of imports, or inventories of corrosion-resistant steel in the future if the countervailing duty and/or antidumping duty orders on corrosion-resistant steel from the subject countries were to be revoked?

\* \* \* \* \*

**U.S. PURCHASERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE  
ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested U.S. purchasers to describe any potential effects on (1) the future activities of your firm and (2) the U.S. market as a whole if the antidumping/countervailing duty orders covering imports of corrosion-resistant steel from Australia, Canada, France, Germany, Japan, and Korea were revoked. (Question III-35). The following are quotations from the responses of purchasers.

\* \* \* \* \*

**FOREIGN PRODUCERS OF CORROSION-RESISTANT STEEL**

**II-3. Would your firm anticipate any changes in the character of your operations or organization (as noted above) relating to the production of corrosion-resistant steel in the future if the countervailing duty and/or antidumping duty orders on corrosion-resistant steel from the subject countries were to be revoked?**

\* \* \* \* \*

**II-15. Describe the significance of the existing countervailing duty and/or antidumping duty orders covering imports of corrosion-resistant steel from the subject countries in terms of their effect on your firm's production capacity, production, home market shipments, exports to the United States and other markets, and inventories. You may wish to compare your firm's operations before and after the imposition of the order.**

\* \* \* \* \*

**II-16. Would your firm anticipate any changes in its production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of corrosion-resistant steel in the future if the countervailing duty and/or antidumping duty orders on corrosion-resistant steel from the subject countries were to be revoked?**

\* \* \* \* \*

**APPENDIX K**

**ADDITIONAL PURCHASING FACTOR COMPARISONS**





**Table K-1**

**Corrosion-resistant steel: Comparisons of product by source country, as reported by purchasers**

Factor	U.S. vs nonsubject <sup>1</sup>			U.S. vs all others/all foreign <sup>2</sup>		
	S	C	I	S	C	I
	<i>Number of firms responding</i>					
Availability	3	5	0	1	2	1
Contract with supplier	3	5	0	0	4	0
Delivery terms	5	3	0	0	4	0
Delivery time	5	3	0	2	2	0
Discounts offered	1	7	0	0	3	0
Extension of credit	2	6	0	1	2	0
Finish/appearance	2	5	1	0	4	0
Minimum quantity requirements	2	6	0	1	3	0
Packaging	1	6	1	0	4	0
Price <sup>3</sup>	1	2	5	0	2	1
Product consistency	3	4	1	0	4	0
Product range	2	6	0	1	3	0
Proximity of supplier	7	1	0	4	0	0
Qualification for certain applications	2	5	1	1	3	0
Quality meets industry standards	1	7	0	0	3	0
Quality exceeds industry standards	3	5	0	0	3	0
Reliability of supply	4	4	0	1	3	0
Technical support/service	5	2	1	1	3	0
Traditional supplier	4	4	0	1	3	0
U.S. transportation costs <sup>3</sup>	6	1	1	0	3	0

<sup>1</sup> Eight purchasers responded to the question by comparing the U.S. product with product from a nonsubject country; the countries include Brazil, China, India, Italy, Taiwan, and the United Kingdom.

<sup>2</sup> Four purchasers responded to the question by comparing the U.S. product with "all others" or "all foreign," without specifying subject or nonsubject countries.

<sup>3</sup> A rating of "S" on price and U.S. transportation costs indicates that this country has lower prices/costs than the other country.

Note.--S=first-listed country's product is superior; C=both countries' products are comparable; I=first-listed country's product is inferior.

Note.--Not all purchasers responded for every factor.

Source: Compiled from data submitted in response to Commission questionnaires.

**Table K-2****CTL plate: Comparisons of product by source country, as reported by purchasers<sup>1</sup>**

Factor	U.S. vs all others/all foreign		
	S	C	I
	<i>Number of firms responding</i>		
Availability	3	1	1
Contract with supplier	2	3	0
Delivery terms	2	3	0
Delivery time	4	1	0
Discounts offered	0	4	1
Extension of credit	1	3	1
Finish/appearance	2	2	0
Minimum quantity requirements	2	2	1
Packaging	1	4	0
Price <sup>2</sup>	0	0	5
Product consistency	1	4	0
Product range	3	2	0
Proximity of supplier	5	0	0
Qualification for certain applications	1	4	0
Quality meets industry standards	0	5	0
Quality exceeds industry standards	1	4	0
Reliability of supply	3	1	1
Technical support/service	4	1	0
Traditional supplier	3	2	0
U.S. transportation costs <sup>2</sup>	4	1	0

<sup>1</sup> Five purchasers responded to the question by comparing the U.S. product with "all others" or "all foreign," without specifying subject or nonsubject countries.

<sup>2</sup> A rating of "S" on price and U.S. transportation costs indicates that this country has lower prices/costs than the other country.

Note.--S=first-listed country's product is superior; C=both countries' products are comparable; I=first-listed country's product is inferior.

Note.--Not all purchasers responded for every factor.

Source: Compiled from data submitted in response to Commission questionnaires.



